KEIRO NORTHWEST LAND SITE

1601 E. Yesler Way

Seattle, Washington 98122

APPRAISAL REPORT

Date of Report: May 28, 2021

Colliers File #: SEA210385

PREPARED FOR
Jon Clarke
Enterprise Community Loan Fund, Inc.
2025 First Avenue, Suite 1250
Seattle, WA 98121

PREPARED BY
COLLIERS INTERNATIONAL
VALUATION & ADVISORY SERVICES

LETTER OF TRANSMITTAL

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May 28, 2021

Jon Clarke
Enterprise Community Loan Fund, Inc.
2025 First Avenue, Suite 1250
Seattle, WA 98121

RE: Keiro Northwest Land
1601 E. Yesler Way
Seattle, Washington 98122

Colliers File #: SEA210385

Mr. Clarke:

Pursuant with our engagement, the above captioned property was appraised utilizing best practice appraisal principles for this property type. This appraisal report satisfies the scope of work and requirements agreed upon by Enterprise Community Loan Fund, Inc. and Colliers International Valuation & Advisory Services.

At the request of the client, this appraisal is presented in an Appraisal Report format as defined by *USPAP* Standards Rule 2-2(a). My appraisal format provides a detailed description of the appraisal process, subject and market data and valuation analyses.

The subject's site consists of 1.41 acres at 1601 E. Yesler Way in Seattle, Washington. The site is improved with a vacant building that is in poor/fair condition and will be demolished to make way for the proposed development.

The subject property is under contract for a purchase price of $13,840,000. The buyer is AfricaTown Community Land Trust and the seller is Yesler QOZB LLC. The contract was signed on December 3, 2020.

The purpose of this appraisal is to develop an opinion of the As Is Land Value (Unencumbered) and Land Value based on Hypothetical Condition As If Encumbered of the subject property's fee simple interest. The City of Seattle will take first position on the loan and will encumber the subject's site with a regulatory agreement for 20 years to provide all apartments units at a rent level at or below 60% AMI. The following table conveys the final opinion of market value of the subject property that is developed within this appraisal report:

VALUE TYPE	INTEREST APPRAISED	DATE OF VALUE	VALUE
As Is Land Value (Unencumbered)	Fee Simple	May 25, 2021	$13,840,000
Land Value - Hypothetical As If Encumbered	Fee Simple	May 25, 2021	$6,750,000

Colliers International Valuation & Advisory Services, and certain of its subsidiaries, is an independently owned and operated business and a member firm of Colliers International Property Consultants, an affiliation of independent companies with over 500+ offices throughout more than 68 countries worldwide.

The COVID-19 virus (aka coronavirus) is a serious illness and pandemic that has affected the world and more specifically the United States. The effects thus far include volatility in the stock and capital markets. The impact to demand and ultimately values for real estate is also developing, although there is a wide range of viewpoints with very little consensus on the potential impact. The range of views from market participants suggests the risk premium is widening and we should analyze implications to both near-term and longer-term valuation assumptions. Real estate as an investment type historically takes a longer period of time to be impacted in comparison to alternative investment types, such as stocks and bonds. CIVAS professionals have consulted with market participants in preparation of this assignment to understand and best address how the subject property may be impacted. Please see Market Analysis section for further discussion.

The analyses, opinions and conclusions communicated within this appraisal report were developed based upon the requirements and guidelines of the current Uniform Standards of Professional Appraisal Practice (USPAP), the requirements of the Code of Professional Ethics and the Standards of Professional Appraisal Practice of the Appraisal Institute. The report is intended to conform to the appraisal guidelines of Enterprise Community Loan Fund Inc.

The report, in its entirety, including all assumptions and limiting conditions, is an integral part of, and inseparable from, this letter. *USPAP* defines an Extraordinary Assumption as, “an assumption, directly related to a specific assignment, as of the effective date of the assignment results, which, if found to be false, could alter the appraiser’s opinions or conclusions”. *USPAP* defines a Hypothetical Condition as, “that which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of analysis”.

The Extraordinary Assumptions and/or Hypothetical Conditions that were made during the appraisal process to arrive at my opinion of value are fully discussed below. I advise the client to consider these issues carefully given the intended use of this appraisal, as their use might have affected the assignment results.

EXTRAORDINARY ASSUMPTIONS

An Extraordinary Assumptions is made that the site is free and clear of contamination and ready for immediate redevelopment.

HYPOTHETICAL CONDITIONS

The following Hypothetical condition are made:

- that the site is free and clear of contamination and ready for immediate redevelopment.
- that the proposed improvements are completed and stabilized as of inspection date is made in this report in order to provide an opinion of the As If Encumbered Value included in this report.
- the As If Encumbered Value is based on the regulatory agreements being in place as of date of value.

My opinion of value reflects current conditions and the likely actions of market participants as of the date of value. It is based on the available information gathered and provided to us, as presented in this report, and does not predict future performance. Changing market or property conditions can and likely will have an effect on the subject's value.

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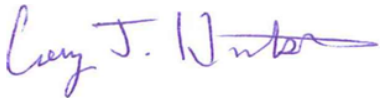
The signature below indicates my assurance to the client that the development process and extent of analysis for this assignment adhere to the scope requirements and intended use of the appraisal. If you have any specific questions or concerns regarding the attached appraisal report, or if Colliers International Valuation & Advisory Services can be of additional assistance, please contact the individuals listed below.

Sincerely,

COLLIERS INTERNATIONAL
VALUATION & ADVISORY SERVICES



Cory J. Hutsell, MAI
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LETTER OF TRANSMITTAL

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- Engagement Letter
- Purchase and Sale Agreement
- Legal Description
- Subject Data
- Valuation Glossary
- Qualifications of Appraiser
- Qualifications of Colliers International Valuation & Advisory Services

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GENERAL INFORMATION

Property Name	Keiro Northwest Land
Property Type	Multifamily - Garden/Low Rise
Address	1601 E. Yesler Way
City	Seattle
State	Washington
Zip Code	98122
County	King
Core Based Statistical Area (CBSA)	Seattle-Tacoma-Bellevue, WA
Market	Central King
Submarket	Central District
Longitude	-122.310694
Latitude	47.601441
Number Of Parcels	1
Assessor Parcel	982670-0565
Census Tract Number	90.00

SITE INFORMATION

Land Area	**Acres**	**Square Feet**
Usable	1.41	61,448
Unusable	0.00	0
Excess	0.00	0
Surplus	0.00	0
Total	**1.41**	**61,448**

Topography	Sloping at street grade
Shape	Square
Access	Good
Exposure	Good
Appeal	Good
Current Zoning	Neighborhood Commercial (NC1-55(M))
Flood Zone	Zone X (Unshaded)
Seismic Zone	High Risk

IMPROVEMENT INFORMATION

Existing Improvements	Two-story 150-bed nursing home that was built in 1987 and is vacant.
Proposed Development	
Development Type	Affordable Housing
Number Of Units	285
Total Number Of Buildings	1

HIGHEST & BEST USE

As Vacant	Development of a residential property as market conditions warrant
As Improved	Proposed use as a residential property

EXPOSURE TIME & MARKETING PERIOD

Exposure Time	Six Months or Less
Marketing Period	Six Months or Less

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VALUATION SUMMARY	
VALUATION INDICES	**VALUE**
INTEREST APPRAISED	FEE SIMPLE
DATE OF VALUE	MAY 25, 2021
SALES COMPARISON APPROACH	
SALES CONCLUSION - Unencumbered	**$13,840,000**
Sales Conclusion $/Unit	$48,561/Unit
Sales Conclusion $/SF	$225.23/SF
SALES CONCLUSION - Hypothetical As If Encumbered	**$6,750,000**
Sales Conclusion $/Unit	$23,684/Unit
Sales Conclusion $/SF	$109.85/SF

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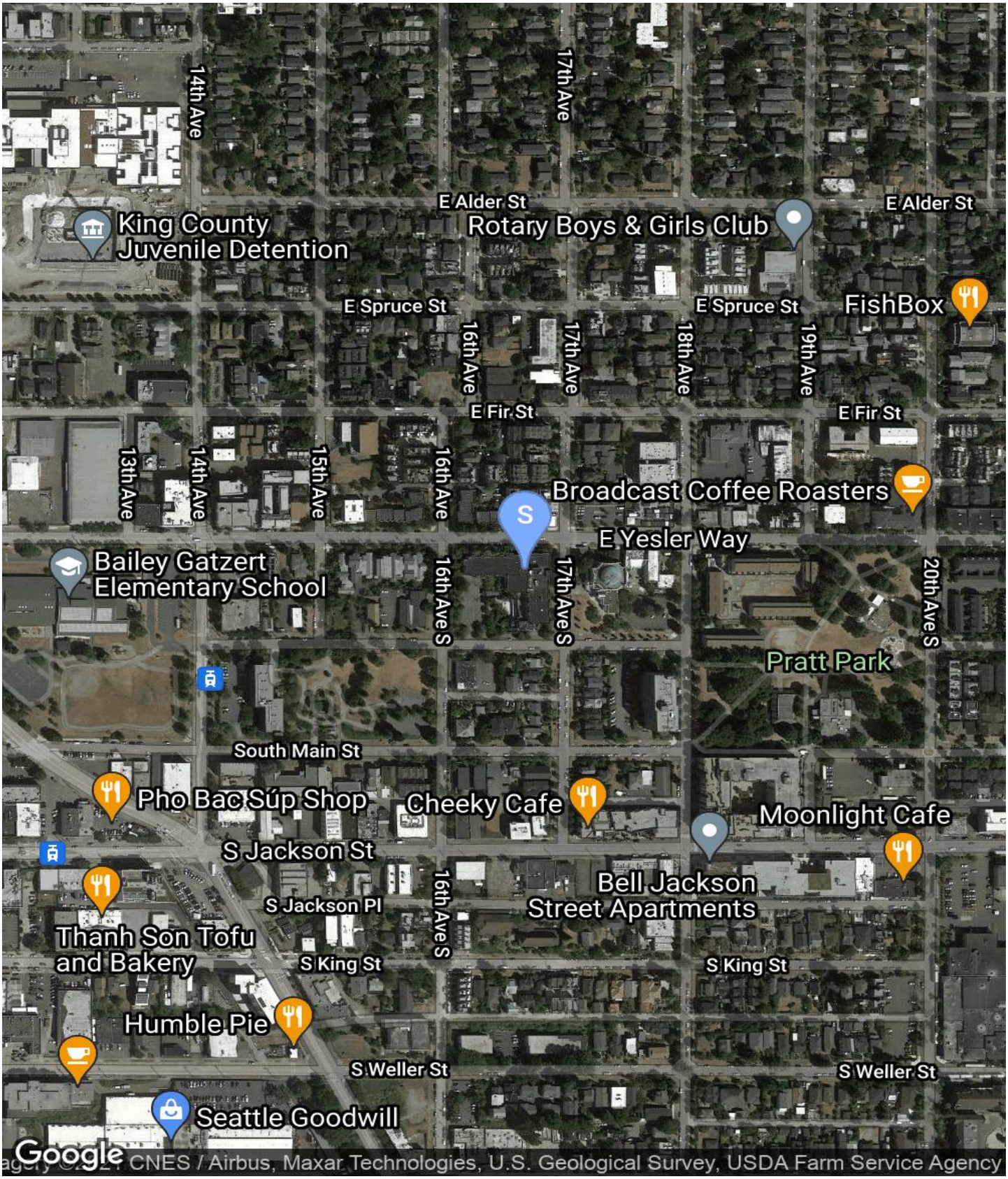

The following photographs were taken by the appraiser on the inspection date.

VIEW OF THE SUBJECT

ANOTHER VIEW OF THE SUBJECT AND PARKING

ANOTHER VIEW OF THE SITE

VIEW OF THE SITE

VIEW OF THE SITE

VIEW OF THE SITE

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VIEW FACING EAST ALONG YESLER WAY

VIEW FACING SOUTH ALONG YESLER WAY

VIEW FACING SOUTH ALONG 16TH AVE S.

VIEW FACING EAST ALONG WASHINGTON STREET

VIEW FACING NORTH ALONG 17TH AVE S.

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PROPERTY IDENTIFICATION

The assessor's parcel number is 982670-0565 and is located at 1601 E. Yesler Way in Seattle, Washington. The legal description is included in the addenda.

CLIENT IDENTIFICATION

The client of this specific assignment is Enterprise Community Loan Fund, Inc.

PURPOSE

The purpose of this appraisal is to develop an opinion of the As Is Land Value (Unencumbered) and Land Value based on Hypothetical Condition As If Encumbered of the subject property's fee simple interest.

INTENDED USE

The intended use of this appraisal is to assist the client with a potential loan that would be collateralized by this asset.

INTENDED USERS

Intended users of this report include Enterprise Community Loan Fund, Inc., WSHFC and City of Seattle. Use of this report by third parties and other unintended users is not permitted. This report must be used in its entirety. Reliance on any portion of the report independent of others, may lead the reader to erroneous conclusions regarding the property values. Unless approval is provided by the authors no portion of the report stands alone.

ASSIGNMENT DATES

Date of Report	May 28, 2021
Date of Inspection	May 25, 2021
Valuation Date - As-Is	May 25, 2021

PERSONAL INTANGIBLE PROPERTY

No personal property or intangible items are included in this valuation.

PROPERTY AND SALES HISTORY

Current Owner
The subject title is currently recorded in the name of Yesler QOZB LLC, as recorded in King County Records.

Three-Year Sales History
The subject property previously sold for $11,000,000 on November 11, 2019. Based on a review of public records and private data services, the prior sale appears to have been an arm's-length transaction and was not impacted by any concessions. (include atypical terms if applicable).

Subject Sale Status
The subject property is under contract to sell for $13,840,000. The buyer is Africatown Community Land Trust and the seller is Yesler QOZB LLC. The contract provided to the appraiser contains no atypical terms or conditions. There are no reported seller concessions. This appears to be an arm's-length transaction (include atypical terms if applicable). The As Is Land Value (Unencumbered) supports the pending sale price.

DEFINITIONS

This section summarizes the definitions of value, property rights appraised, and value scenarios that are applicable for this appraisal assignment. All other applicable definitions for this assignment are located in the Valuation Glossary section of the Addenda.

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DEFINITIONS OF VALUE

Given the scope and intended use of this assignment, the following definition of value is applicable:

Market Value
The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently, knowledgeably, and assuming that the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

1. Buyer and seller are typically motivated;
2. Both parties are well informed or well advised, and acting in what they consider their own best interests;
3. A reasonable time is allowed for exposure in the open market;
4. Payment is made in terms of cash in United States dollars or in terms of financial arrangements comparable thereto; and
5. The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.[1]

PROPERTY RIGHTS APPRAISED

The property rights appraised constitute the fee simple interest.

Fee Simple Estate
Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power and escheat.[2]

VALUE SCENARIOS

As-Is Value
The estimate of the market value of real property in its current physical condition, use, and zoning as of the appraisal date.[3]

[1] Office of Comptroller of the Currency (OCC), Title 12 of the Code of Federal Regulation, Part 34, Subpart C - Appraisals, 34.42 (g); Office of Thrift Supervision (OTS), 12 CFR 564.2 (g); This is also compatible with the FDIC, FRS and NCUA definitions of market value.
[2] The Dictionary of Real Estate Appraisal, Sixth Edition, Appraisal Institute, Chicago, Illinois, 2015
[3] The Dictionary of Real Estate Appraisal, Sixth Edition, Appraisal Institute, Chicago, Illinois, 2015

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INTRODUCTION

The appraisal development and reporting processes requires gathering and analyzing information about those assignment elements necessary to properly identify the appraisal problem to be solved. The scope of work decision must include the research and analyses that are necessary to develop credible assignment results given the intended use of the appraisal. Sufficient information includes disclosure of research and analyses performed and might also include disclosure of research and analyses not performed. The scope of work for this appraisal assignment is outlined below:

- The appraiser analyzed the regional and local area economic profiles including employment, population, household income, and real estate trends. The local area was further studied to assess the general quality and condition, and emerging development trends for the real estate market. The immediate market area was inspected and examined to consider external influences on the subject.
- The appraiser confirmed and analyzed legal and physical features of the subject property including sizes of the site and improvements, flood plain data, seismic zone, zoning, easements and encumbrances, access and exposure of the site, and construction materials and condition of the improvements. This process also included estimating the remaining economic life of the improvements, analysis of the subject's site coverage and parking ratios compared to market standards, a process to identify deferred maintenance and a conclusion of the subject's overall functional utility.
- The appraiser completed an apartment market analysis that included market and sub-market overviews. The Central King market and Central District sub-market overviews analyzed supply/demand conditions using vacancy, absorption, supply change and rent change statistics. Conclusions were drawn regarding the subject property's competitive position given its physical and locational characteristics, the prevailing economic conditions and external influences.
- The appraiser conducted a Highest and Best Use analysis, determining the highest and best use of the subject property As-Vacant and As-Improved. The analysis considered legal, locational, physical and financial feasibility characteristics of the subject property. Development of the Highest and Best Use As-Improved explored potential alternative treatments of the property including demolition, expansion, renovation, conversion, and continued use "as-is."
- The appraiser confirmed and analyzed financial features of the subject property including tax and assessment records. This information as well as trends established by confirmed market indicators was used to forecast performance of the subject property.
- Selection of the valuation methods was based on the identifications required in USPAP relating to the intended use, intended users, definition and date of value, relevant property characteristics and assignment conditions. As a result, this appraisal developed the Sales Comparison approach to value. The resulting value indicators were reconciled within the Analysis of Value Conclusions section. The appraisal develops an opinion of the As Is Land Value (Unencumbered) and Land Value based on Hypothetical Condition As If Encumbered of the subject property's fee simple interest. The reasoning for including or excluding traditional approaches to value is developed within the Valuation Methodology section.
- Reporting of this appraisal is in an Appraisal Report format as required in USPAP Standard 2. The appraiser's analysis and conclusions are fully described within this document.
- I understand the Competency Rule of USPAP and the author of this report meets the standards.
- No one provided significant real property appraisal assistance to appraiser signing this certification.

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SOURCES OF INFORMATION

The following sources were contacted to obtain relevant information:

SOURCES OF INFORMATION

ITEM	SOURCE
Tax Information	King County Tax Assessor
Zoning Information	City of Seattle Zoning Code
Site Size Information	King County Tax Assessor
Building Size Information	King County Tax Assessor, Plans
New Construction	City of Seattle / King County
Flood Map	InterFlood
Demographics	Pitney Bowes/Gadberry Group - GroundView®
Comparable Information	See Comparable Datasheets for details
Legal Description	County Records, Title Report
Other Property Data	Client, County Records, Inspection

SUBJECT PROPERTY INSPECTION

The following table illustrates the Colliers International professionals involved with this appraisal report and their status related to the property inspection.

SUBJECT PROPERTY INSPECTION

APPRAISER	INSPECTED	EXTENT	DATE OF INSPECTION
Cory J. Hutsell, MAI	Yes	Site Only	May 25, 2021

Cory Hutsell, MAI (Colliers Representative) inspected the subject's site. At the time of the inspections, the site was improved with a two-story building that is in poor/fair condition and will be demolished to make way for the proposed project.

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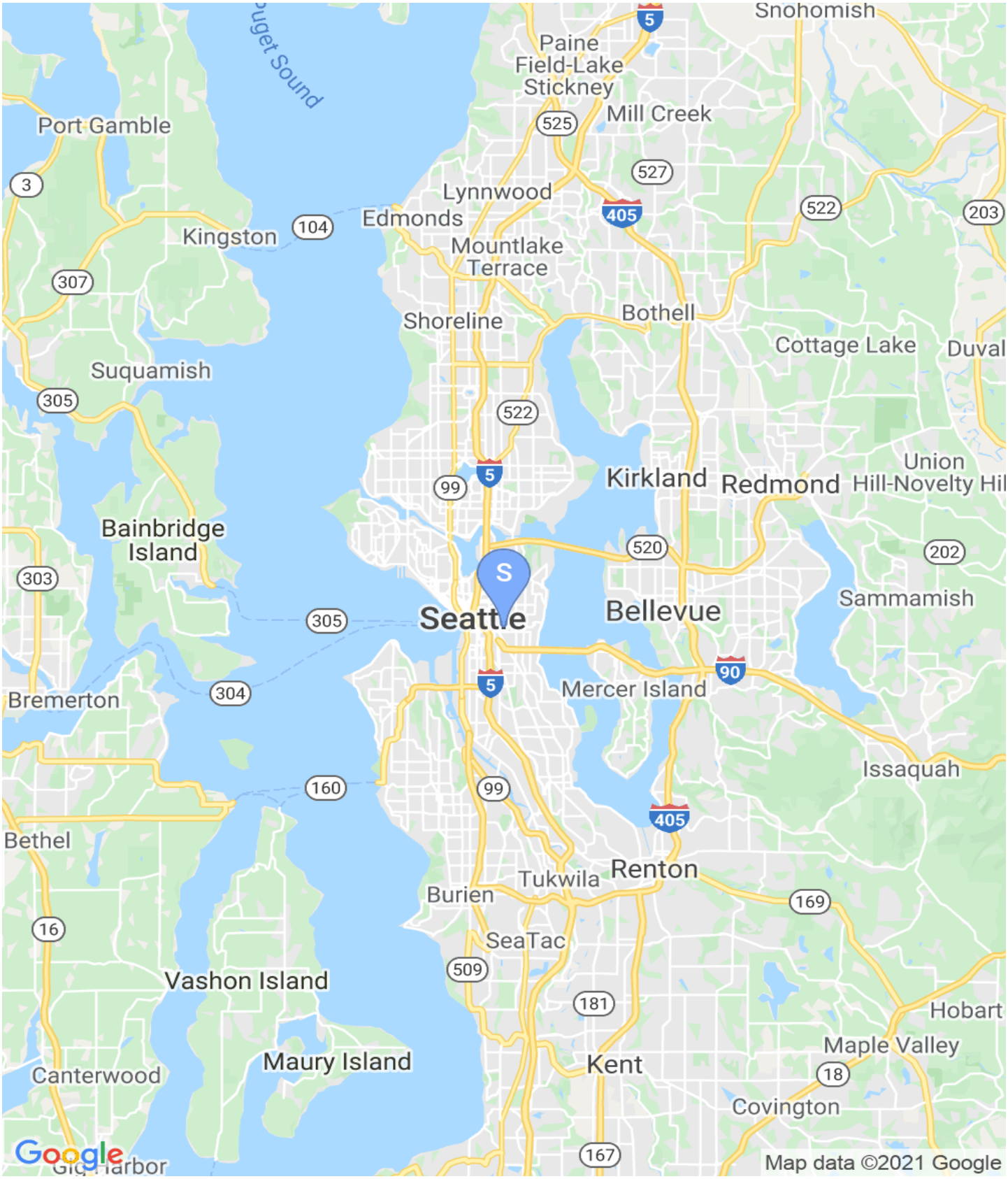
Snohomish
Paine Field-Lake Stickney
Mill Creek
Port Gamble
Puget Sound
Lynnwood
Edmonds
Kingston
Mountlake Terrace
Shoreline
Bothell
Cottage Lake
Duval
Suquamish
Union Hill-Novelty Hil
Kirkland
Redmond
Bainbridge Island
Seattle
Bellevue
Sammamish
Mercer Island
Bremerton
Issaquah
Bethel
Tukwila
Renton
Burien
SeaTac
Vashon Island
Maury Island
Kent
Hobart
Maple Valley
Canterwood
Covington
Gig Harbor
Google
Map data ©2021 Google

REGIONAL ANALYSIS

As will be discussed below, trends in the Puget Sound region had been very positive as the Seattle area experienced a sustained recovery from the recession until early 2020. By March the Coronavirus had spread into a global pandemic creating an unprecedented health emergency that caused innumerable economic and human costs, and continues to impact the lives of local residents. Some of the demographic information presented below pre-dates this global crisis. The situation is still fluid and evolving. The impacts are also discussed in other places in this report.

Located in Northwest Washington State, Puget Sound is one of the most ecologically diverse ecosystems in North America. Puget Sound itself is a body of saltwater lying east of Admiralty Inlet, through which ocean waters reach inland 50 miles from the Pacific Coast. The waterway is a complex and intricate system of channels, inlets, estuaries, and islands containing 2,500 miles of shoreline and 19 rivers pouring into its waters. The land description surrounding the waters has expanded to include the surrounding lowlands east to the Cascade Mountains and the islands of Whidbey, Camano, and Fidalgo, as well as the Kitsap Peninsula.

The twelve counties that make up the region have created the economic foundation for the state of Washington as well as the population epicenter of the state with 70% of its citizens living within its boundaries. With its large population and dynamic economy, Puget Sound is home to one Metropolitan Division (Seattle-Bellevue-Everett MD), 4 Metropolitan Statistical Areas (Seattle-Tacoma-Bellevue MSA, Olympia MSA, Bremerton-Silverton MSA, and the Mount Vernon-Anacortes MSA), and 2 Micropolitan Statistical Areas (Oak Harbor and Shelton). Seattle, the state's largest city, is located in the center of the Puget Sound region along the north-south Interstate Highway 5 corridor that serves as the major traffic thoroughfare of the state. Other major cities situated along Interstate-5 are Everett, Olympia, and Tacoma. To the east, and across Lake Washington, is Seattle's neighbor, Bellevue. On the west side of the Sound are the cities of Bremerton, Port Orchard, and Shelton.

The Puget Sound Basin provides significant employment, with about half of all jobs concentrated in the Seattle Metropolitan Area. These jobs include aerospace, information and communications technology (ICT), military, logistics and international trade, tourism, manufacturing, recreational and commercial fishing, and shipping. *However, in early 2020 the employment picture changed dramatically with many industries cutting back on production, and cutting their workforce through furloughs and terminations.*

Key logistics to Puget Sound are the Ports of Seattle and Tacoma. Washington State is one of the most trade–dependent states in the nation. Trade accounts for more than one–quarter of the state’s economic activity, and one out of every three jobs is related to international trade. Approximately 70% of international goods entering Washington gateways continue on to the larger U.S. market, and 30% become part of Washington’s manufactured output or are distributed in the state’s retail system.

As one of the largest land holders in King County, the Port of Seattle owns parks and public access areas, cargo and container terminals, conference facilities at the airport and waterfront, recreational boating marinas, piers for workboats and cruise ships, office space, storage and warehouse operations, and more. State-of-the-art cargo handling facilities help rank Seattle as the nation’s 6th busiest U.S. seaport, serving 22 international steamship lines and moving more than 1.6 million TEUs (20-foot equivalent unit containers).

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The passenger cruise terminals at Pier 66, Bell Street Cruise Terminal, Terminal 91, and the Smith Cove Terminal comprise the #1 U.S West Coast cruise port in number of passengers, with eleven different ships offering Alaska cruise itineraries. According to the Port of Seattle's numbers, each time a homeport ship docks at the Port of Seattle, it generates $2.7 million to the local economy. The cruise ship terminals served seven major cruise lines including Carnival, Celebrity Cruises, Holland America Line, Norwegian Cruise Line, Princess Cruises, Oceania Cruises and Royal Caribbean. In past year The Port has estimated that the cruise industry generates 3,647 jobs and $441 million in annual business revenue. *Whether this industry regains its footing in the aftermath of the coronavirus pandemic remains to be seen.*

JOINT BASE LEWIS-MCCHORD

Joint Base Lewis–McChord (JBLM) is an U.S. military installation home to I Corps and 62d Airlift Wing located 9.1 miles (14.6 km) south-southwest of Tacoma, Washington under the jurisdiction of the United States Army Joint Base Garrison, Joint Base Lewis–McChord. The facility is an amalgamation of the United States Army's Fort Lewis and the United States Air Force's McChord Air Force Base which merged on 1 February 2010 into a Joint Base as a result of Base Realignment and Closure Commission recommendations of 2005.

Joint Base Lewis–McChord is a training and mobilization center for all services and is the only Army power projection base west of the Rocky Mountains. Its geographic location provides rapid access to the deep-water ports of Tacoma, Olympia and Seattle for deploying equipment. Units can be deployed from McChord Field, and individuals and small groups can also use nearby Sea-Tac Airport. The strategic location of the base provides Air Force units with the ability to conduct combat and humanitarian airlift with the C-17 Globemaster III.

Given the size of the base, it has a significant impact on the local economy and the housing market. In recent discussions with local apartment managers in Tacoma, Lakewood and University Place, there has been a consensus that the rate of deployments has slowed, and they are seeing far less turnover risk from troop deployments in the last 24 to 36 months. The base currently employs about 40,000 military personnel and 15,000 civilian contractors.

DEMOGRAPHIC ANALYSIS

The following is a demographic study of the region sourced by *Pitney Bowes/Gadberry Group - GroundView®*, an on-line resource center that provides information used to analyze and compare the past, present, and future trends of geographical areas. Demographic changes are often highly correlated to changes in the underlying economic climate. Periods of economic uncertainty necessarily make demographic projections somewhat less reliable than projections in more stable periods. These projections are used as a starting point, but we also consider current and localized market knowledge in interpreting them within this analysis.

Please note, these figures do not incorporate any data which reflects market conditions attributed to the coronavirus.

Population

According to Pitney Bowes/Gadberry Group - GroundView®, a Geographic Information System (GIS) Company, the Seattle-Tacoma-Bellevue metropolitan area had a 2020 total population of 4,041,379 and experienced an annual growth rate of 1.6%, which was higher than the Washington annual growth rate of 1.4%. The metropolitan area accounted for 52.4% of the total Washington population (7,715,022). Within the metropolitan area the population density was 676 people per square mile compared to the lower Washington population density of 114 people per square mile and the lower United States population density of 92 people per square mile.

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POPULATION			
YEAR	US	WA	CBSA
2010 Total Population	308,745,538	6,724,540	3,439,809
2020 Total Population	330,412,290	7,715,022	4,041,379
2025 Total Population	341,167,877	8,213,747	4,347,449
2010 - 2020 CAGR	0.7%	1.4%	1.6%
2020 - 2025 CAGR	0.6%	1.3%	1.5%

Source: Pitney Bowes/Gadberry Group - GroundView®

POPULATION DENSITY			
YEAR	US	WA	CBSA
2020 Per Square Mile	92	114	676
2025 Per Square Mile	95	122	728

Source: Pitney Bowes/Gadberry Group - GroundView®

The 2020 median age for the metropolitan area was 37.11, which was 3.04% younger than the United States median age of 38.24 for 2020. The median age in the metropolitan area is anticipated to grow by 0.36% annually, increasing the median age to 37.78 by 2025.

MEDIAN AGE			
YEAR	US	WA	CBSA
2020	38.24	37.74	37.11
2025	38.97	38.45	37.78
CAGR	0.38%	0.37%	0.36%

Source: Pitney Bowes/Gadberry Group - GroundView®

Education

Education is an important part of the Seattle-Tacoma-Bellevue MSA, particularly due to the high concentration of technology, engineering, and other professions that require advanced degrees. Home to one of the nation's most respected public universities; the University of Washington enrolls over 50,000 under-graduates and post-graduates and is the largest school in the Pacific Northwest. Among private universities, Seattle University, a Jesuit Catholic university, is the largest independent university in the Northwest. Another, Seattle Pacific University, is a Christian university of the liberal arts, sciences and professions, located on the north slope of Queen Anne Hill in Seattle. In January 2021, all public schools began transitioning back to in-classroom learning on a socially distanced basis staring with lower grades.

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COLLEGES AND UNIVERSITIES		
PUBLIC		
NAME	**City**	**ENROLLED**
University of Washington	Seattle	48,103
PRIVATE		
NAME	**City**	**ENROLLED**
Seattle University	Seattle	7,199
Seattle Pacific University	Seattle	3,529
Pacific Lutheran University	Tacoma	3,062
University of Puget Sound	Tacoma	2,608
Northwest University	Kirkland	1,982
COMMUNITY COLLEGES		
NAME	**City**	**ENROLLED**
Bellevue College	Bellevue	16,957
Green River Community College	Auburn	11,482
Edmonds Community College	Edmonds	10,261
Highline Community College	Des Moines	9,912
Everett Community College	Everett	9,846
Seattle Central Community College	Seattle	8,707
Tacoma Community College	Tacoma	7,417
Olympic Community College	Bremerton	7,417

Source: Puget Sound Business Journal Book of Lists 2020

The Seattle MSA has numerous and well attended community colleges throughout the region. Community Colleges serve students in a variety of education options. Many students start their four-year degrees at community colleges, finding it a more affordable start to their higher education. However, many earn certificates, train for a new job, experience hands-on training in professional and technical programs, learn English, develop basic skills, finish high school, train for a promotion, or to learn just for fun.

INFRASTRUCTURE -TRANSPORTATION

So much of Seattle-Tacoma-Bellevue MSA's traffic is directed through the city proper. North-south transportation depends heavily on the Interstate 5 corridor which treks through the city proper, while State Route 99, another major arterial, travels through the western half of the city. Transportation to and from the east is via State Route 520's Evergreen Point Floating Bridge. The Evergreen Point Floating Bridge is the world's longest floating bridge with a new bridge, to replace the original, which was deemed at risk during a seismic event, opened in April 2016.

Interstate 90's Lacey V. Murrow Memorial Bridge and Third Lake Washington Bridge, both crossing Lake Washington are the second, and fifth longest floating bridges in the world, respectively.

In April 2020 structural cracks were found in the bridge which connects West Seattle with downtown and Interstate 5. Reportedly the bridge will be closed for at least two years, creating challenges for residents and commuters from this Seattle neighborhood.

Washington State Department of Transportation has completed two projects to replace the State Route 99 (SR 99) Alaskan Way Viaduct along Seattle's waterfront. The first project is the SR 99 Tunnel Project. The viaduct's downtown waterfront section was replaced with a bored tunnel beneath downtown Seattle. The tunnel opened in February 2019 and connects the new SR 99 roadway south of downtown to Aurora Avenue in the north. The second has removed the viaduct along Seattle's downtown waterfront and reconstruct Alaskan way S. The viaduct was at risk of failure from earthquakes for many years and was in need of being replaced. The area is being revitalized by several new parks and connections between downtown and the waterfront.

Water transportation remains important. Washington State Ferries, the largest ferry system in the United States operates a passenger-only ferry from Colman Dock in Downtown to Vashon Island, car ferries from Colman Dock to Bainbridge Island and to Bremerton, and a car ferry from West Seattle to Vashon Island to Southworth.

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Central Puget Sound Regional Transit Authority, or Sound Transit, operates express bus, commuter rail, and light rail service within the Seattle MSA area. Regional express bus routes connect Seattle with neighboring suburbs and cities while the Sounder commuter rail system, consisting of two lines, link Seattle with Tacoma along its Southern route and Seattle with Everett along its Northern run. The light rail system, called Link Light Rail, includes an initial 15.7-mile Central Link from downtown Seattle to Sea-Tac Airport, and recently completed a 3.15-mile mile extension line called University Link. The extension consists of twin-bored tunnels from Downtown Seattle north to the University of Washington, with stations at Capitol Hill and on the University of Washington.

Seattle is also served by three Amtrak routes at its King Street Station: The Cascades, the Coast Starlight, and the Empire Builder.

The Seattle-Tacoma International Airport, also owned and operated by the Port of Seattle, handling more than 51.8 million passengers in 2019, up from 49.8 million passengers in 2018. It is now the 9th busiest airport in the U.S. with 450,487 takeoffs and landings in 2019. This figure dropped 34.3% in 2020 to 296,048.

In 2020, traffic at the airport was reduced significantly due to the conronavirus. All airlines reduced their flights by about 70% and the airport granted rent relief to the many tenants that serve passengers in the terminal. As of 2021, overall activity is still down from 2019 but showing a steady uptick through March 2021.

Click here for data

SEA activity measures: Week 14 (beg. March 28, 2021)

Hover over data to see more detailed information.

Published: 6 Apr 2021 (updated Tuesdays)

Compare to: 2019

Measure	Avg. daily	% difference vs. 2019	% difference MTD	% difference YTD	Last 52 weeks
TSA screened volume	31,800	-46%	-18%	-58%	
Aircraft operations	920	-21%	-27%	-25%	
Roadway traffic Inbound to airport	21,200	-37%	-30%	-48%	
Ground transportation (GT) operations	2,590	-58%	-60%	-67%	

Notes:
Average daily volumes are rounded. MTD: month to date; YTD: year to date

Air cargo handled by Sea-Tac was the lone bright spot in 2020, increasing 0.2% with 454,584 metric tons (compared to 453,549 metric tons in 2019). The Port projects that Sea-Tac will handle 56 million passengers and 480,000 landings and takeoffs by 2027.

The Port of Tacoma is another major center for container cargo, bulk, autos and heavy-lift cargo in the region. Located in Pierce County the Port is among one of the largest container ports in North America and one of the top 50 in the world. Port activities account for more than 43,000 jobs in Pierce County, and 113,000 jobs in Washington State.

The Port of Everett (Paine Field) located in Everett, WA offers commercial airline service which started in March 2019. The passenger terminal is serviced by Alaska Airlines and United with limited flights to west coast cities and Denver. It is the long-term home of The Boeing Company for both manufacturing, test flights and deliveries.

HOUSEHOLD TRENDS

The 2020 number of households in the metropolitan area was 1,509,846. The number of households in the metropolitan area is projected to grow by 1.1% annually, increasing the number of households to 1,590,891 by 2025. The 2020 average household size for the metropolitan area was 2.63, which was 1.71% larger than the United States average household size of 2.58 for 2020. The average household size in the metropolitan area is anticipated to grow by 0.43% annually, raising the average household size to 2.69 by 2025.

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NUMBER OF HOUSEHOLDS			
YEAR	US	WA	CBSA
2020	124,774,359	2,867,661	1,509,846
2025	128,904,424	2,996,120	1,590,891
CAGR	0.7%	0.9%	1.1%

Source: Pitney Bowes/Gadberry Group - GroundView®

AVERAGE HOUSEHOLD SIZE			
YEAR	US	WA	CBSA
2020	2.58	2.64	2.63
2025	2.58	2.69	2.69
CAGR	0.00%	0.39%	0.43%

Source: Pitney Bowes/Gadberry Group - GroundView®

The Seattle-Tacoma-Bellevue metropolitan area had 39.32% renter occupied units, compared to the lower 36.50% in Washington and the lower 34.78% in the United States.

HOUSING UNITS			
	US	WA	CBSA
Owner Occupied	65.22%	63.50%	60.68%
Renter Occupied	34.78%	36.50%	39.32%

Source: Pitney Bowes/Gadberry Group - GroundView®

The 2020 median household income for the metropolitan area was $86,127, which was 23.2% higher than the United States median household income of $62,847. The median household income for the metropolitan area is projected to grow by 3.2% annually, increasing the median household income to $100,867 by 2025.

As is often the case when the median household income levels are higher than the national average, the cost of living index is also higher. According to the American Chamber of Commerce Researchers Association (ACCRA) Cost of Living Index, the Seattle-Tacoma-Bellevue, WA MSA's cost of living is 158.5 compared to the national average score of 100. The ACCRA Cost of Living Index compares groceries, housing, utilities, transportation, health care and miscellaneous goods and services for over 300 urban areas.

MEDIAN HOUSEHOLD INCOME			
YEAR	US	WA	CBSA
2020	$62,847	$72,981	$86,127
2025	$75,115	$87,109	$100,867
CAGR	3.6%	3.6%	3.2%

Source: Pitney Bowes/Gadberry Group - GroundView®

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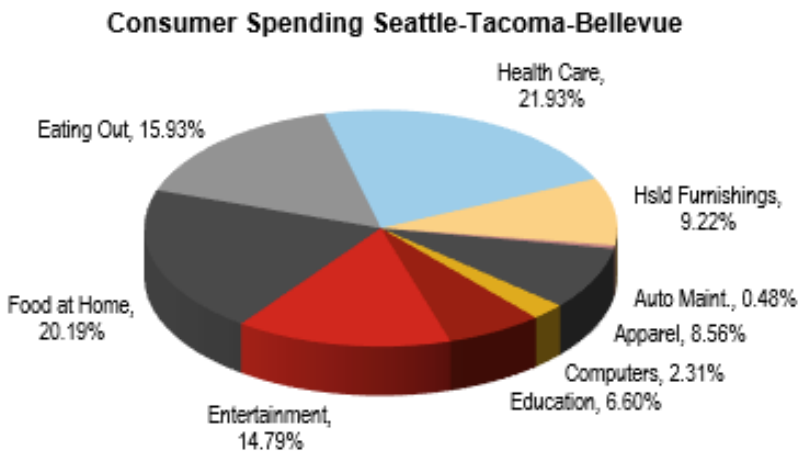

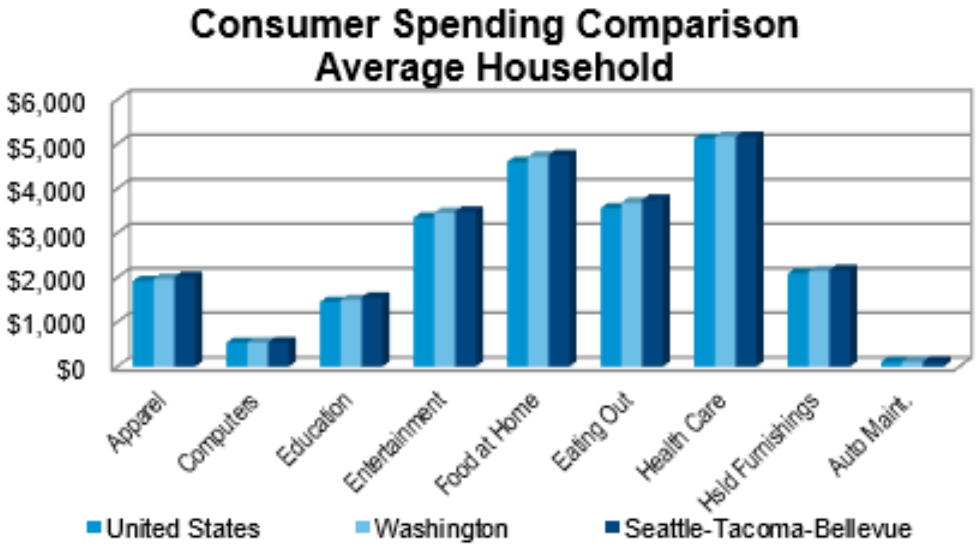

EMPLOYMENT

Unemployment trends, taken from the Department of Revenue website, are shown below. The most current information available for the Seattle metro area is for February 2021, as shown in the chart below. In April 2020 the green line trended dramatically upward in the chart below. This is because all businesses, restaurants, hotels, and other industries have been impacted by the coronavirus and reduced their workforce. Most non-essential construction work was also shut down, including residential projects. Major sporting events were shut down, along with concerts, conventions and other events that would result in large gatherings. The overall rate had trended downward since as a combination of stimulus money and mass distribution of vaccinations have helped support those (primarily service) industries hit hardest by Covid-19 and bolster consumer confidence.

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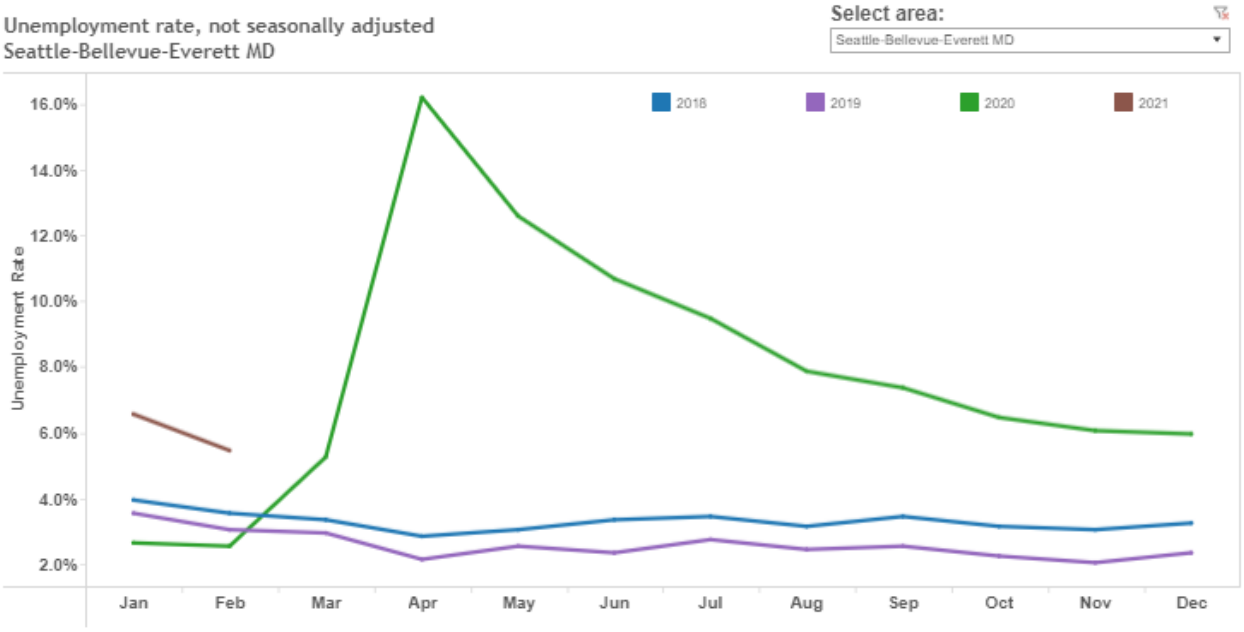

2018	4.0%	3.6%	3.4%	2.9%	3.1%	3.4%	3.5%	3.2%	3.5%	3.2%	3.1%	3.3%
2019	3.6%	3.1%	3.0%	2.2%	2.6%	2.4%	2.8%	2.5%	2.6%	2.3%	2.1%	2.4%
2020	2.7%	2.6%	5.3%	16.2%	12.6%	10.7%	9.5%	7.9%	7.4%	6.5%	6.1%	6.0%
2021	6.6%	5.5%										

Employment and unemployment, not seasonally adjusted
Seattle-Bellevue-Everett MD

Historically, total employment has increased annually over the past decade in the state of Washington by 1.3% and increased annually by 1.8% in the area. From 2017 to 2018 unemployment decreased in Washington by 0.2% and decreased by 0.2% in the area. In the state of Washington unemployment has decreased over the previous month by 0.0% and decreased by 0.4% in the area.

EMPLOYMENT & UNEMPLOYMENT STATISTICS 2011 - 2020

	TOTAL EMPLOYMENT				UNEMPLOYMENT RATE		
	Washington		Seattle-Tacoma-Bellevue, WA Metropolitan Statistical Area		United States*	Washington	Seattle-Tacoma-Bellevue, WA Metropolitan Statistical Area
Year	Total	% Δ Yr Ago	Total	% Δ Yr Ago			
2011	3,144,459	0.1%	1,719,691	1.1%	8.9%	8.5%	8.2%
2012	3,203,294	1.9%	1,767,807	2.8%	8.1%	7.7%	7.0%
2013	3,230,947	0.9%	1,808,023	2.3%	7.4%	6.6%	5.3%
2014	3,287,904	1.8%	1,848,821	2.3%	6.2%	5.9%	5.1%
2015	3,361,249	2.2%	1,889,699	2.2%	5.3%	5.4%	4.6%
2016	3,459,527	2.9%	1,945,781	3.0%	4.9%	5.2%	4.3%
2017	3,552,578	2.7%	1,992,915	2.4%	4.4%	4.6%	4.0%
2018	3,645,260	2.6%	2,047,595	2.7%	3.9%	4.4%	3.7%
2019	3,747,162	2.8%	2,100,717	2.6%	3.7%	4.1%	3.1%
2020	3,585,782	(4.3%)	2,000,853	(4.8%)	8.1%	8.4%	8.1%
CAGR	**1.5%**	-	**1.7%**	-	-	-	-

Source: U.S. Bureau of Labor Statistics *Unadjusted Non-Seasonal Rate

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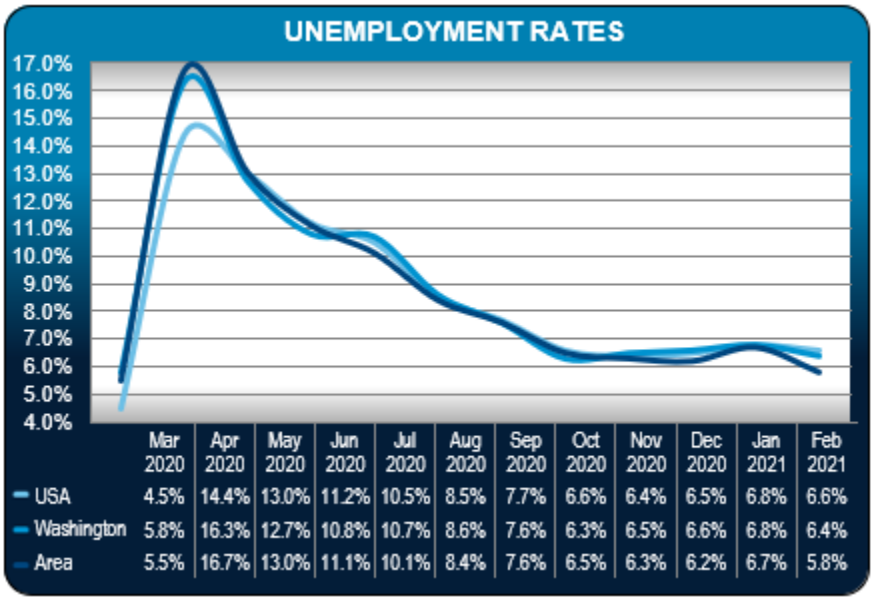

TOP EMPLOYERS

EMPLOYER NAME	EMPLOYEES	INDUSTRY
The Boeing Company	69,830	Aerospace
Joint Base Lewis-McChord	54,000	Government
Amazon.com	52,000	Technology
Microsoft Corporation	51,362	Technology
University of Washington Seattle	46,824	Education
Navy Region Northwest	46,015	Government
Providence St. Joseph Health	43,000	Healthcare
Safeway & Albertsons LLC	21,320	Retail
Walmart Inc.	19,412	Retail
Costco Wholesale Corporation	18,010	Retail
MultiCare Health System	17,170	Healthcare
Fred Meyer Stores	16,069	Retail
King County Government	15,851	Government
Starbucks Coffee	14,132	Retail
CHI Franciscan Health	12,368	Healthcare
City of Seattle	11,664	Government
Seattle Public School	11,431	Education
Alaska Air Group, Inc	9,494	Transportation
Nordstrom Inc.	9,200	Retail
Virginia Mason Health System	8,759	Healthcare

Source: Puget Sound Business Journal Book of Lists 2020

The Seattle MSA is also home to 8 Fortune 500 companies: Microsoft, Weyerhaeuser, Nordstrom, Costco Wholesale, Amazon.com, Paccar, Starbucks, and Expeditors International of Washington.

Microsoft, Amazon, Google and Facebook are top performers within the information and communications technology (ICT) industry in the Seattle MSA, generating annual revenues of $13.6 billion and adding 186,800 jobs locally. Included are: 50,400 in software publishing, 25,400 in computer system design and 9,100 in wireless telecommunications. Another sector within the ICT industry is video game companies. More than one third of the $10 billion annual revenue attributed to the game industry nationwide is produced in the region. Also, considered

a leader in Radio Frequency Identification (RFID), the Seattle MSA is home to companies such as Impinj and Intermec. Another sector, Cloud Computing and Virtualization, is making a presence through Microsoft Azure, Amazon Web Services, Parallels, Skytap and Symform. The Seattle MSA is emerging as a world leader in this technology. The Seattle MSA is home to a diversified group of businesses of many sizes and types, all of which appreciate its Central Puget Sound location.

Aerospace has been a key industry in the Puget Sound area with the Boeing Company being the champion industry in the field. The industry as a whole, includes a collection of over 650 businesses, employs 80,000 people statewide and over 72,000 regionally (primarily through Boeing). Revenues generated total $90 billion annually.

In addition to large corporations, universities, hospitals and public sector employment located within the Seattle-Tacoma-Bellevue MSA, smaller businesses make up 75% of the local employment picture. This demonstrates the impact and importance of small business in the local economy. Seattle's economy is a mix of old and new businesses which got its key start with the Boeing Company nearly 100 years ago. The entrepreneurial spirit of the region led to major internet and technology companies. Seattle has retained a comparatively strong economy and remains a hotbed for start-up businesses with a highly educated workforce. Indicators are such that the current economic outlook is positive, the area’s key private employment sectors have made significant year-over-gains and unemployment is trending down.

Until recently, remarkable job gains have been achieved in health care, education, and information sectors. Annual gains of 5.8% have been achieved by Facebook, Google and Microsoft. They are in a tie with construction for the highest year over year growth. Amazon has had plans to expand into Bellevue with 20,000 employees. Facebook and Google also had plans to add 6,000 more employees will be added to both Bellevue and South Lake Union areas by 2022.

SUMMARY

In summary, until about March 2020, the Puget Sound region had continued its strong recovery from the recession, as evidenced by fairly strong trends in unemployment, retail sales, housing and new construction. Overall, continued progress was anticipated in 2020 until the pandemic caused a nationwide shutdown in last March. As of early 2021, despite the approval of 3 vaccines and multiple stimulus packages, there is lingering regional uncertainty because of the coronavirus and its related impact on the local economy. Looking forward, the King County Forecast Model anticipates a 2.6% growth in employment in 2021 followed by 3.6% growth in 2022, with similar (4.8% in 2021 and 2.5% in 2022) growth in personal income.

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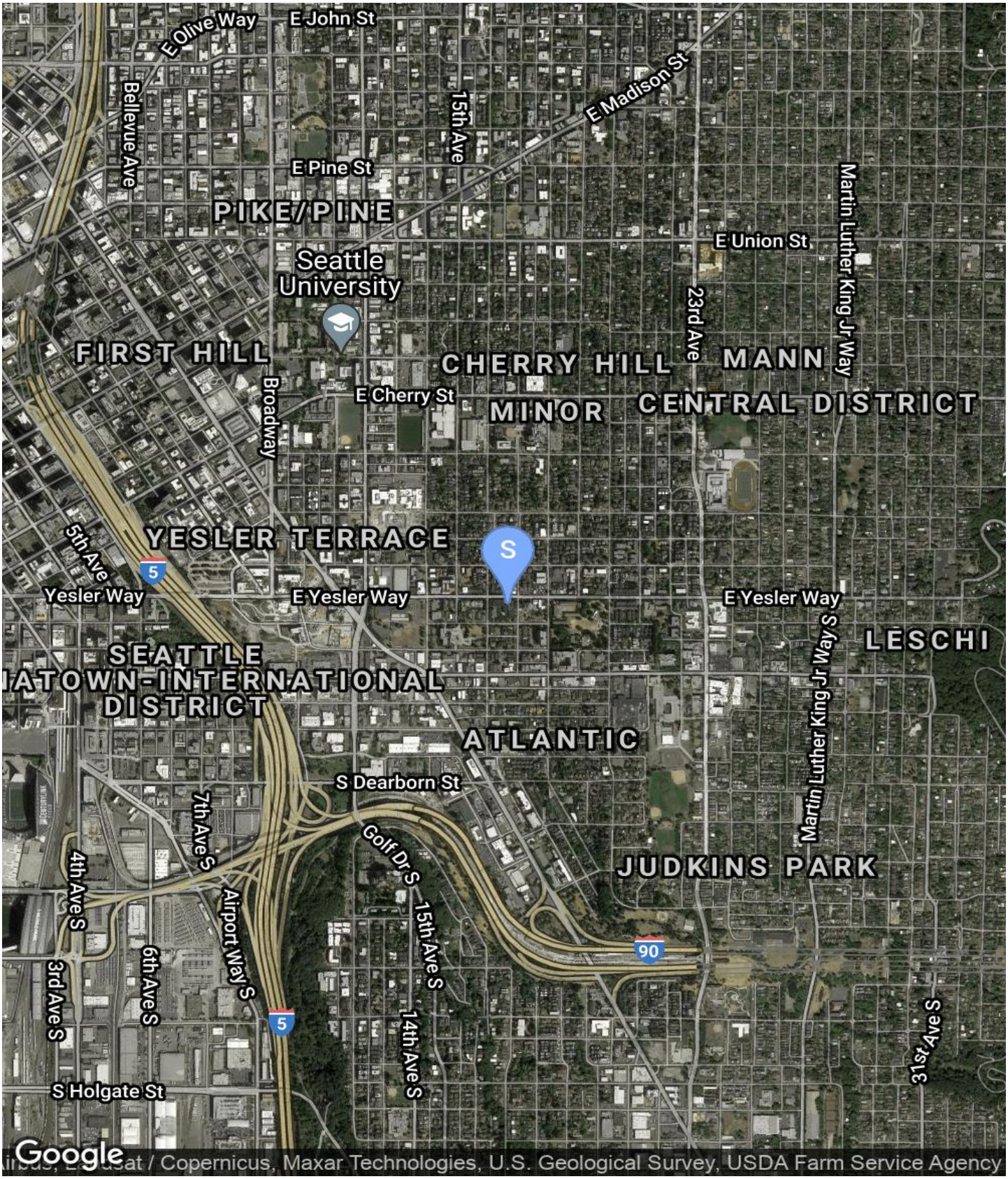
E Olive Way
E John St
Bellevue Ave
15th Ave
E Madison St
E Pine St
PIKE/PINE
Seattle University
E Union St
Martin Luther King Jr Way
23rd Ave
FIRST HILL
CHERRY HILL
MANN
Broadway
E Cherry St
MINOR
CENTRAL DISTRICT
5th Ave
YESLER TERRACE
S
5
Yesler Way
E Yesler Way
E Yesler Way
LESCHI
SEATTLE
IATOWN-INTERNATIONAL
DISTRICT
ATLANTIC
S Dearborn St
Martin Luther King Jr Way S
7th Ave S
Golf Dr S
JUDKINS PARK
4th Ave S
Airport Way S
15th Ave S
90
6th Ave S
3rd Ave S
14th Ave S
31st Ave S
5
S Holgate St
Google
Maxar Technologies, U.S. Geological Survey, USDA Farm Service Agency

INTRODUCTION

In this section of the report, I provide details about the local area and describe the influences that bear on the real estate market as well as the subject property. A map of the local area is presented on the prior page. Below are insights into the local area based on fieldwork, interviews, demographic data and experience working in this market.

LOCAL AREA PROFILE

The subject property is located in Seattle, Washington, within King County. The subject is located east of Interstate 5 which is the primary thoroughfare and commercial corridor in the area. The local area is considered urban.

DEMOGRAPHIC PROFILE

Below is a demographic study of the area, sourced by *Pitney Bowes/Gadberry Group - GroundView*®, an on-line resource center that provides information used to analyze and compare the past, present, and future trends of properties and geographical areas. Please note that our demographics provider sets forth income projections in constant dollars which, by definition, reflect projections after adjustment for inflation. We are aware of other prominent demographic data providers that project income in current dollars, which do not account for inflation. A simple comparison of projections for a similar market area made under the constant and current dollar methodologies can and likely will produce data points that vary, in some cases, widely. Further, all forecasts, regardless of demographer methodology(ies), are subjective in the sense that the reliability of the forecast is subject to modeling and definitional assumptions and procedures.

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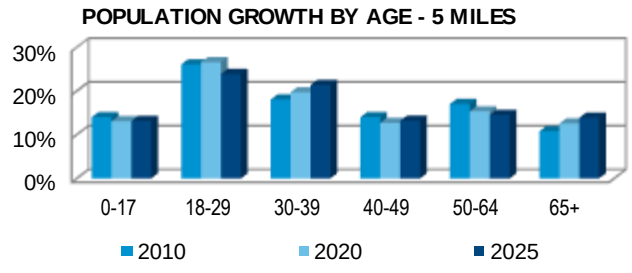
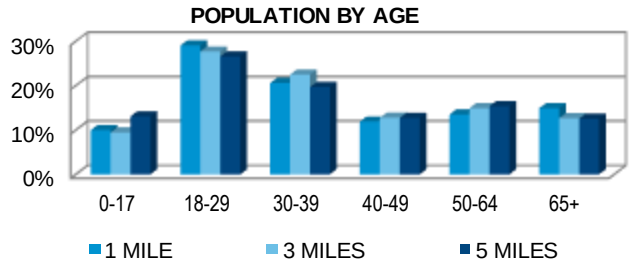
LOCAL AREA DEMOGRAPHICS

DESCRIPTION	1 MILE	3 MILES	5 MILES	DESCRIPTION	1 MILE	3 MILES	5 MILES
POPULATION				**AVERAGE HOUSEHOLD INCOME**			
2000 Population	37,736	145,216	333,556	2020	$97,333	$126,890	$130,039
2010 Population	40,898	161,717	366,095	2025	$117,162	$149,796	$151,748
2020 Population	55,009	228,118	472,994	Change 2020-2025	20.37%	18.05%	16.69%
2025 Population	62,398	263,301	528,674	**MEDIAN HOUSEHOLD INCOME**			
Change 2000-2010	8.38%	11.36%	9.76%	2020	$63,999	$89,538	$91,392
Change 2010-2020	34.50%	41.06%	29.20%	2025	$76,418	$108,852	$109,963
Change 2020-2025	13.43%	15.42%	11.77%	Change 2020-2025	19.41%	21.57%	20.32%
POPULATION 65+				**PER CAPITA INCOME**			
2010 Population	4,934	17,853	39,575	2020	$50,326	$68,316	$62,309
2020 Population	8,202	28,946	59,384	2025	$58,785	$78,504	$71,180
2025 Population	9,979	36,560	73,353	Change 2020-2025	16.81%	14.91%	14.24%
Change 2010-2020	66.23%	62.14%	50.05%	**2020 HOUSEHOLDS BY INCOME**			
Change 2020-2025	21.67%	26.30%	23.52%	<$15,000	16.8%	10.1%	9.3%
NUMBER OF HOUSEHOLDS				$15,000-$24,999	9.4%	5.6%	5.7%
2000 Households	15,940	74,515	154,596	$25,000-$34,999	6.7%	5.7%	5.5%
2010 Households	19,669	87,583	173,981	$35,000-$49,999	8.8%	8.8%	8.7%
2020 Households	25,207	117,263	215,057	$50,000-$74,999	15.2%	13.3%	13.3%
2025 Households	27,986	132,421	236,310	$75,000-$99,999	9.9%	11.3%	11.4%
Change 2000-2010	23.39%	17.54%	12.54%	$100,000-$149,999	14.8%	17.5%	17.0%
Change 2010-2020	28.16%	33.89%	23.61%	$150,000-$199,999	7.2%	10.0%	10.4%
Change 2020-2025	11.02%	12.93%	9.88%	$200,000 or greater	11.2%	17.7%	18.6%
HOUSING UNITS (2020)				**MEDIAN HOME VALUE**	$500,208	$606,161	$644,247
Owner Occupied	6,375	36,007	84,587	**AVERAGE HOME VALUE**	$604,307	$777,156	$819,296
Renter Occupied	18,862	81,232	130,570	**HOUSING UNITS BY UNITS IN STRUCTURE**			
HOUSING UNITS BY YEAR BUILT				1, detached	4,369	21,803	68,688
Built 2010 or later	2,944	14,713	21,707	1, attached	1,253	4,689	10,489
Built 2000 to 2009	4,766	21,256	34,733	2	756	1,932	5,194
Built 1990 to 1999	2,353	11,999	20,130	3 or 4	1,037	3,517	8,258
Built 1980 to 1989	2,011	8,793	16,271	5 to 9	1,273	5,109	11,684
Built 1970 to 1979	1,789	7,984	16,597	10 to 19	1,747	10,790	18,613
Built 1960 to 1969	1,812	8,641	17,980	20 to 49	4,576	22,382	32,837
Built 1950 to 1959	1,218	6,653	17,488	50 or more	10,169	46,870	58,917
Built 1940 to 1949	705	4,085	11,173	Mobile home	37	88	350
Built 1939 or earlier	7,611	33,140	58,979	Boat, RV, van, etc.	21	58	127

Source: Pitney Bowes/Gadberry Group - GroundView®





Transportation Routes

Major traffic arteries are shown in the chart below:

MAJOR ROADWAYS & THOROUGHFARES

HIGHWAY	DIRECTION	FUNCTION	DISTANCE FROM SUBJECT
Interstate 5	north-south	Interstate Highway	This is within a mile of the subject property.
Interstate 90	east-west	Interstate Highway	This is within 2 miles of the subject property.
SURFACE STREETS	**DIRECTION**	**FUNCTION**	**DISTANCE FROM SUBJECT**
Yesler Way	east-west	Primary Arterial	The subject property fronts this street.
S. Jackson St.	east-west	Primary Arterial	This is just down the street from the subject property.
16th Ave S	north-south	Secondary Arterial	The subject property fronts this street.
17th Ave S	north-south	Secondary Arterial	The subject property fronts this street.

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Public Transportation is available near the subject property along E. Yesler Way.

Economic Factors

The local area is considered a middle to high income area. The local area (3 miles) has a median home value of $606,161, which is expected to appreciate over the next several years. The local population is moderately dense and is expected to grow in the near future.

Community Services

Community services and facilities are readily available in the surrounding area. These include public services such as fire stations, hospitals, police stations, and schools (all ages). The subject property is located in the Seattle Public Schools. GreatSchools.org is an online resource that rates every school district and school on a scale of one to ten based on test scores. They also track parents rating of the school on a one to five scale. The chart details the local school districts and high schools ratings nearest to the subject.

SCHOOL DISTRICTS

SCHOOL DISTRICT	NUMBER OF SCHOOLS					
	ELEMENTARY	MIDDLE	HIGH	PUBLIC	CHARTER	TOTAL
Seattle Public Schools	74	28	24	105	0	105

HIGH SCHOOLS

HIGH SCHOOLS	GREATSCHOOLS RATING	PARENT RATING	SCHOOL TYPE	GRADES SERVED	DISTANCE FROM SBJ.	CITY LOCATION	TOTAL ENROLLMENT
Garfield High School	7	4	public	9-12	0.48 miles	Seattle	1,857
Secondary Bilingual Orientation Center	1	-	public	6-12	0.83 miles	Seattle	236
SCCC High School Completion	-	-	public	9-12	1.14 miles	Seattle	-
Bridges Transition	-	-	public	PK-12	1.16 miles	Seattle	133
Nova High School	5	4	public	9-12	1.50 miles	Seattle	312
Interagency Programs	-	-	public	6-12	1.71 miles	Seattle	347
The Seattle Public Schools Skills Center	-	-	public	9-12	1.71 miles	Seattle	-
Hutch School	-	5	public	PK-12	1.88 miles	Seattle	21
Franklin High School	4	4	public	9-12	1.95 miles	Seattle	1,282
Special Education Service School	-	-	public	PK-12	1.97 miles	Seattle	173

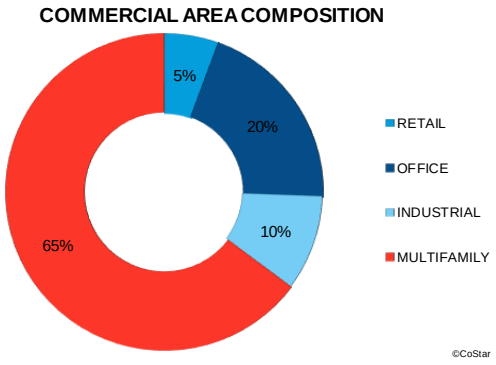
Source: GreatSchools.org

IMMEDIATE AREA PROFILE

This section discusses uses and development trends in the immediate area that directly impact the performance and appeal of the subject property.

Predominant Land Uses

Significant development in the immediate area consists of office, retail, industrial, mixed-use and auto dealership uses along major arterials that are interspersed with multi-family complexes and single-family residential development removed from arterials. The local area has a mix of commercial uses nearby and the composition is shown in the following graph.



Residential Development

Residential users in the immediate area are primarily single family residential.

Multi-Family Development

The following chart shows a summary of multi-family data by type in the immediate area from CoStar.

MULTIFAMILY SUMMARY

CLASS	PROPERTIES	NRA (SF)	AVG YR BLT
A	21	2,801,920	2015
B	61	2,823,208	1986
C	117	2,217,023	1939
TOTAL	**199**	**7,842,151**	**1962**

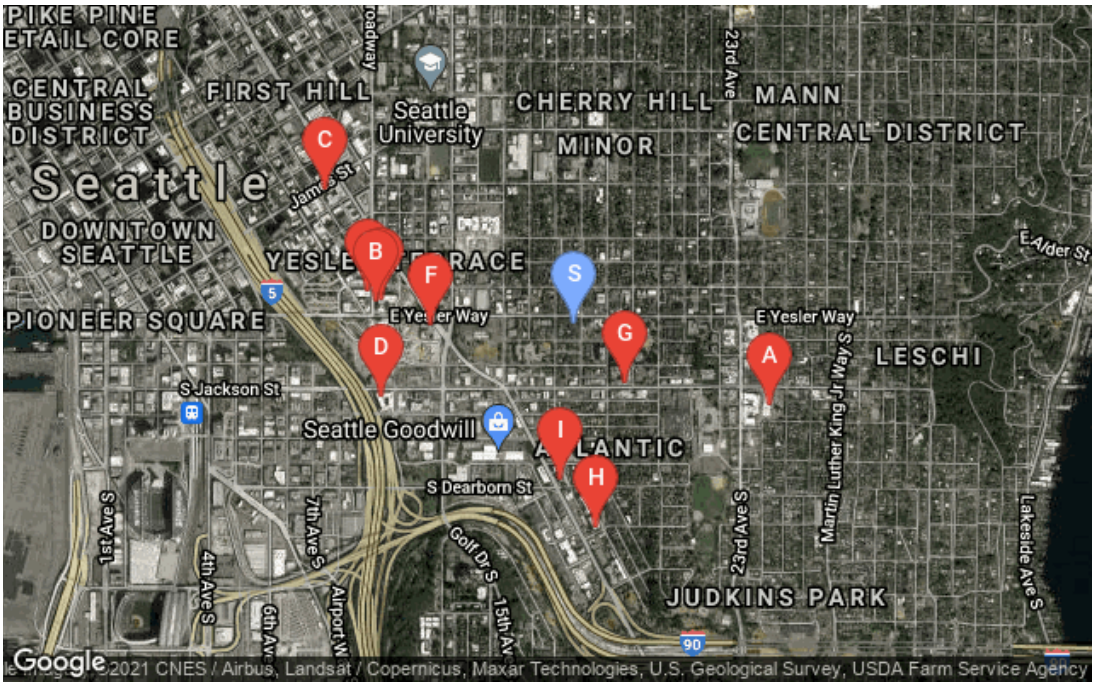
Source: CoStar

The following chart and map show the subject property and its location relative to the 10 largest multi-family properties in the immediate area from CoStar.

LARGEST MULTIFAMILY PROPERTIES

NAME	DISTANCE	MAP PIN	CLASS	NRA (SF)	STORIES	YEAR BUILT
Jackson	0.5 Miles	A	A	766,421	7	2020
Multifamily Building	0.5 Miles	B	C	454,632	2	1941
Saxton Apartments	0.7 Miles	C	B	298,000	8	2019
Thai Binh Apartments	0.5 Miles	D	A	265,000	6	2019
Batik	0.5 Miles	E	A	225,000	7	2018
Emerson Seattle	0.3 Miles	F	A	210,536	7	2020
Pratt Park Apartments	0.2 Miles	G	A	201,441	6	2009
Pondtedera	0.5 Miles	H	B	190,164	4	2009
Muir Apartments	0.4 Miles	I	B	187,000	7	2019
Cypress	0.5 Miles	J	B	174,480	7	2019

Source: CoStar



Retail Development

The following chart shows a summary of retail data by type in the immediate area from CoStar.

RETAIL SUMMARY

TYPE	PROPERTIES	NRA (SF)	AVG YR BLT	OCCUPANCY	AVG RENT
General Retail	102	679,904	1944	99.1	$23.72
TOTAL	**102**	**679,904**	**1944**	**99.1**	**$23.72**

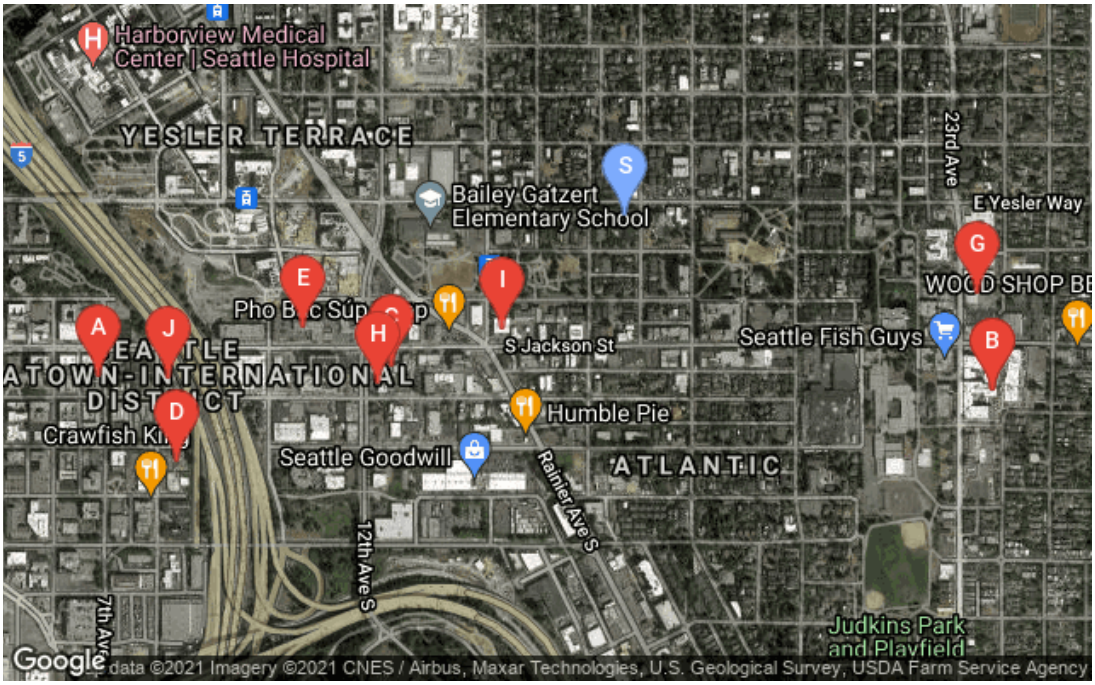
Source: CoStar

The following chart and map show the subject property and its location relative to the 10 largest retail properties in the immediate area from CoStar.

LARGEST SHOPPING CENTERS

NAME	DISTANCE	MAP PIN	TYPE	NRA (SF)	% LEASED	YEAR BUILT	AVG RENT
Milw aukee Apartments	0.6 Miles	A	General Retail	64,000	98.4	1987	$24.00
Promenade Shopping Center	0.5 Miles	B	Neighborhood Center	36,491	100.0	1997	N/Av
Ding How Shopping Center	0.3 Miles	C	General Retail	35,000	62.3	1991	$24.00
Eng Suey Sun Plaza	0.6 Miles	D	General Retail	31,472	100.0	1989	N/Av
Asian Plaza	0.4 Miles	E	General Retail	29,631	100.0	1960	N/Av
Promenade Shopping Center	0.5 Miles	F	Neighborhood Center	23,421	100.0	1980	N/Av
Promenade Shopping Center	0.4 Miles	G	Neighborhood Center	21,200	100.0	1998	N/Av
Retail Building	0.3 Miles	H	General Retail	18,290	100.0	1992	N/Av
Retail Building	0.2 Miles	I	General Retail	15,557	100.0	1979	N/Av
Don Hee Apartments- Retail Space	0.6 Miles	J	General Retail	15,100	100.0	1901	N/Av

Source: CoStar



Office Development

The following chart shows a summary of office data by class in the immediate area from CoStar.

OFFICE SUMMARY

CLASS	PROPERTIES	NRA (SF)	AVG YR BLT	OCCUPANCY	AVG RENT
A	3	379,951	1973	100.0	-
B	27	1,548,903	1968	92.8	$31.51
C	48	488,137	1946	99.1	$18.55
TOTAL	**78**	**2,416,991**	**1954**	**97.0**	**$23.22**

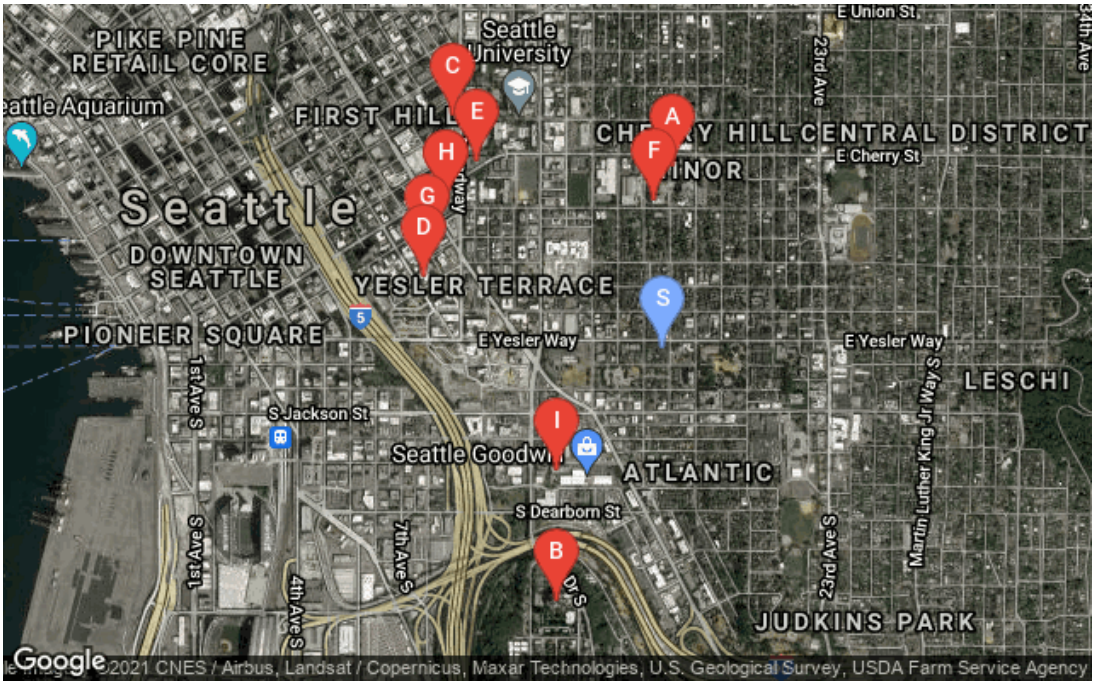
Source: CoStar

The following chart and map show the subject property and its location relative to the 10 largest office properties in the immediate area from CoStar.

LARGEST OFFICE BUILDINGS

NAME	DISTANCE	MAP PIN	CLASS	NRA (SF)	% LEASED	YEAR BUILT	AVG RENT
James Tower Life Sciences Bldg	0.4 Miles	A	B	315,528	96.3	1910	$40.00
Pacific Tower at 1200 12th	0.6 Miles	B	A	304,047	100.0	1932	N/Av
Office Building	0.7 Miles	C	B	156,800	100.0	2003	N/Av
Harborview Research Building	0.6 Miles	D	B	135,000	100.0	1930	N/Av
Swedish Medical Center	0.6 Miles	E	B	131,000	90.5	1990	$38.00
Jefferson Tower	0.3 Miles	F	B	121,500	100.0	1987	N/Av
Office Building	0.6 Miles	G	B	95,915	100.0	1930	N/Av
Office Building	0.6 Miles	H	B	85,000	100.0	1958	N/Av
Weller Bldg	0.4 Miles	I	B	74,832	100.0	2001	N/Av
First Hill Medical Building	0.6 Miles	J	B	70,623	100.0	1988	N/Av

Source: CoStar



Industrial Development

The following chart shows a summary of industrial data by type in the immediate area from CoStar.

INDUSTRIAL SUMMARY

TYPE	PROPERTIES	NRA (SF)	AVG YR BLT	OCCUPANCY	AVG RENT
Industrial	53	1,086,357	1951	96.2	$18.00
Flex	6	80,519	1956	96.4	$18.00
TOTAL	**59**	**1,166,876**	**1952**	**96.2**	**$18.00**

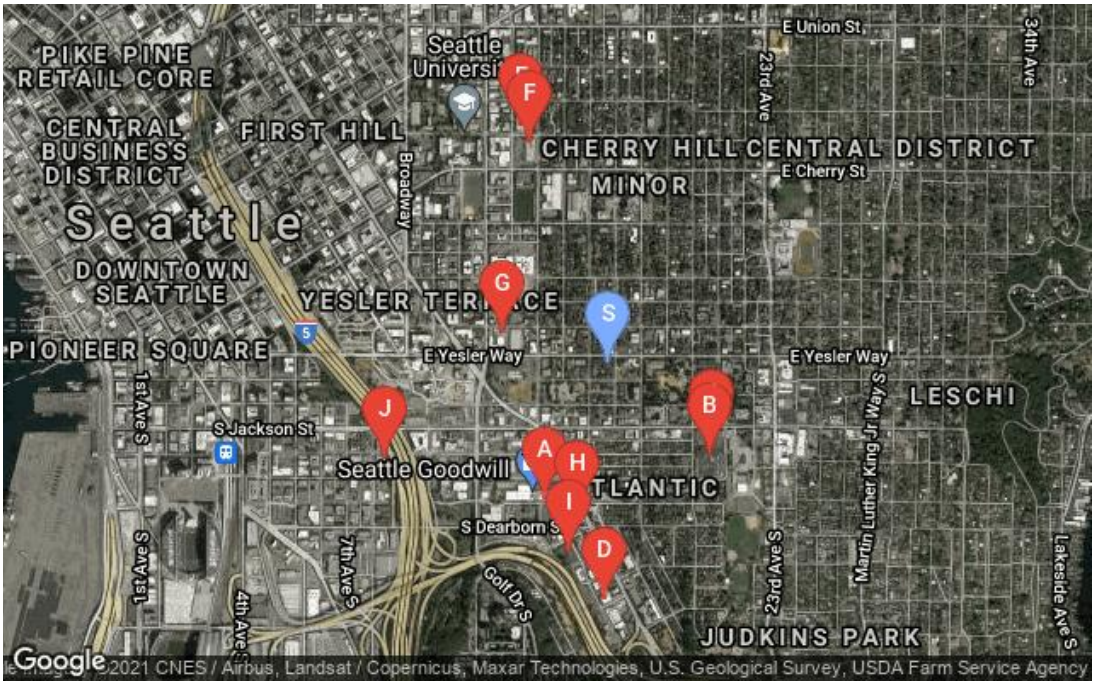
Source: CoStar

The following chart and map show the subject property and its location relative to the 10 largest industrial properties in the immediate area from CoStar.

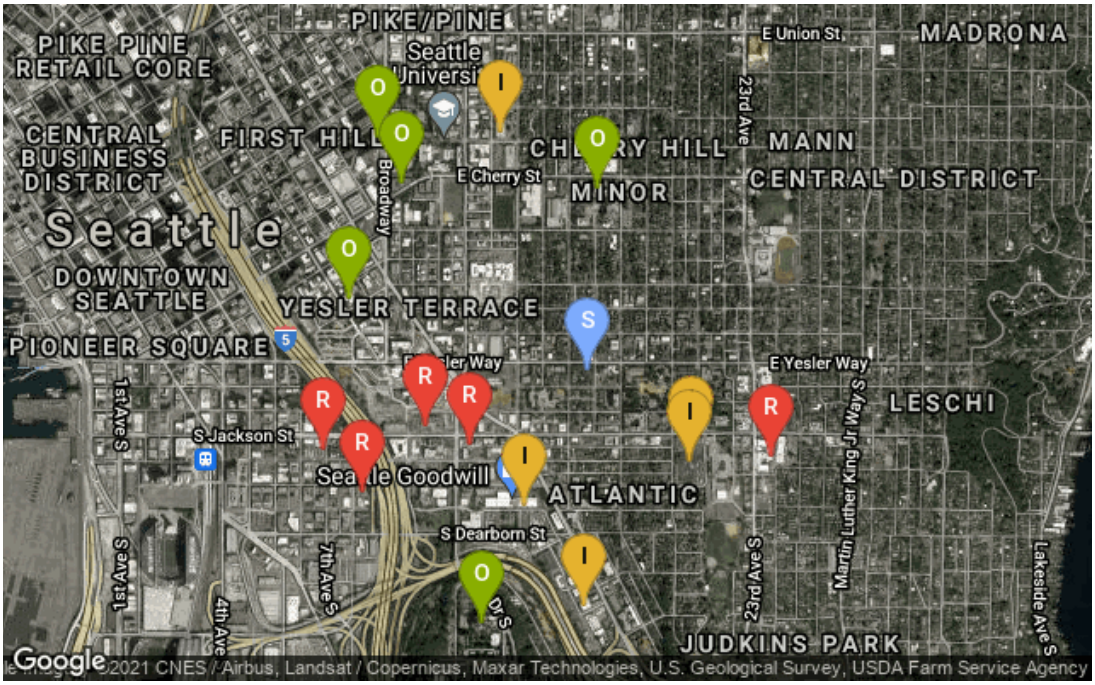
LARGEST INDUSTRIAL PROPERTIES

NAME	DISTANCE	MAP PIN	TYPE	NRA (SF)	% LEASED	YEAR BUILT	AVG RENT
Goodwill Ind	0.4 Miles	A	Industrial	156,000	100.0	1945	N/Av
Gai's Northwest Bakery	0.3 Miles	B	Industrial	83,694	100.0	1919	N/Av
Industrial Building	0.3 Miles	C	Industrial	76,936	100.0	1977	N/Av
Former Baugh/Skanska Bldg	0.6 Miles	D	Industrial	68,874	100.0	1970	$24.00
Industrial Building	0.6 Miles	E	Industrial	60,122	100.0	1916	N/Av
Industrial Building	0.5 Miles	F	Industrial	49,586	100.0	1939	N/Av
Industrial Building	0.3 Miles	G	Industrial	42,000	100.0	1954	N/Av
Seattle Goodwill Job Training/Education	0.4 Miles	H	Industrial	40,921	100.0	1947	N/Av
Industrial Building	0.5 Miles	I	Industrial	35,997	100.0	1952	N/Av
King Louis Bldg	0.6 Miles	J	Industrial	33,238	100.0	1992	N/Av

Source: CoStar



The following map shows the subject property and the five largest retail, office, and industrial properties in the immediate area from CoStar.



SUBJECT PROPERTY ANALYSIS

The following discussion draws context and analysis on how the subject property is influenced by the local and immediate areas.

Access
The subject site has frontage on an arterial. Based on my field work, the subject's access is rated good compared to other properties with which it competes.

Visibility
The subject is clearly visible in both directions along the street. The visibility of the property is not hampered by adjacent properties, trees or other obstructions. In comparison to competitive properties, the subject property has good visibility.

Subject Conclusion
Trends in the local and immediate areas, adjacent uses and the property's specific location features indicate an overall typical external influence for the subject, which is concluded to have a good position in context of competing properties.

SUMMARY

Overall, the condition and appeal of the market area is generally good. New projects will be accomplished by redevelopment of under-improved properties. Based on recent environmental factors due to the COVID-19 virus, property values are not expected to grow over the short term but will likely recover over the long term in this area.

General Description

The subject site is located along a primary arterial and three secondary arterials with surrounding properties consisting of residential, special uses and commercial uses in the South Seattle neighborhood of Seattle. This location offers average access to downtown Seattle employment, retailers, and public transportation. This location offers excellent access to Central District employment, retailers, and public transportation. The sloping site consists of one parcel containing a total of 61,448 square feet or 1.41 acres. The area is estimated based on the assessor's parcel map, and may change if a professional survey determines more precise measurements. Going forward, our valuation analyses will utilize the usable site area. The following discussion summarizes the subject site size and characteristics.

Assessor Parcel 982670-0565

Number Of Parcels 1

Land Area	**Acres**	**Square Feet**
Primary Parcel	1.41	61,448
Unusable Land	0.00	0
Excess Land	0.00	0
Surplus Land	0.00	0
Total Land Area	**1.41**	**61,448**

Shape Square - See Plat Map For Exact Shape

Topography Sloping at street grade

Adjacent Use North E. Yesler Way, Townhomes

Adjacent Use South S. Washington St., Medical/Dental, Single Family

Adjacent Use East 17th Ave S., Vacant Lot, Special Use

Adjacent Use West 16th Ave S., Multifamily, Church

Zoning Neighborhood Commercial (NC1-55(M))

Drainage Assumed Adequate

Utilities All available to the site

Street Improvements

Street	**Direction**	**No. Lanes**	**Street Type**	Curbs	Sidewalks	Streetlights	Center Lane	Gutters
E. Yesler Way	Primary Street	two-way	two-lane	major arterial	✓	✓	✓		✓
16th Ave S.	Secondary Street	two-way	two-lane	minor arterial	✓	✓	✓		✓
17th Ave S.	Secondary Street	two-way	two-lane	minor arterial	✓	✓	✓		✓
S. Washington Street	Secondary Street	two-way	two-lane	minor arterial	✓	✓	✓		✓

Frontage The subject provides frontage along E. Yesler Way (256 Linear Feet) to the north, 16th Ave S. (239 Linear Feet) to the west, S. Washington Street (256 Linear Feet) to the south, and 17th Ave S. (239 Linear Feet) to the east.

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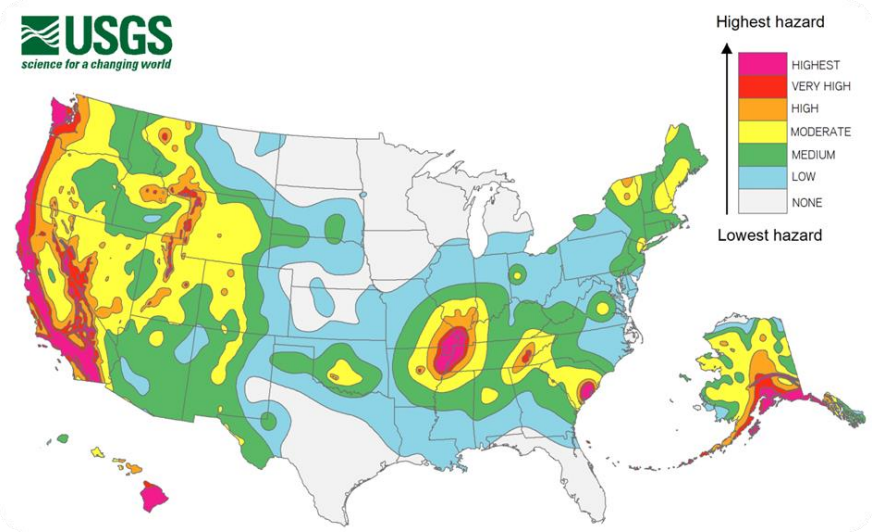
Accessibility Good - The subject is accessible by curb cuts along 16th Ave S., and S. Washington Street.

Exposure Good - The subject has adequate exposure.

Seismic The subject is in a high risk zone.



Flood Zone Zone X (Unshaded). This is referenced by Community Number 530089, Panel Number 53033C0635G, dated August 19, 2020. Zone X (unshaded) is a moderate and minimal risk area. Areas of moderate or minimal hazard are studied based upon the principal source of flood in the area. However, buildings in these zones could be flooded by severe, concentrated rainfall coupled with inadequate local drainage systems. Local stormwater drainage systems are not normally considered in a community's flood insurance study. The failure of a local drainage system can create areas of high flood risk within these zones. Flood insurance is available in participating communities, but is not required by regulation in these zones. Nearly 25-percent of all flood claims filed are for structures located within these zones. Minimal risk areas outside the 1-percent and .2-percent-annual-chance floodplains. No BFEs or base flood depths are shown within these zones. (Zone X (unshaded) is used on new and revised maps in place of Zone C.)

Easements A preliminary title report was not available for review. During the on-site inspection, no adverse easements or encumbrances were noted. This appraisal assumes that there is no negative value impact on the subject improvements. If questions arise regarding easements, encroachments, or other encumbrances, further research is advised.

Soils A detailed soils analysis was not available for review. Based on the development of the subject, it appears the soils are stable and suitable for the existing improvements.

Hazardous Waste We have not conducted an independent investigation to determine the presence or absence of toxins on the subject property. If questions arise, the reader is strongly cautioned to seek qualified professional assistance in this matter. Please see the Assumptions and Limiting Conditions for a full disclaimer.

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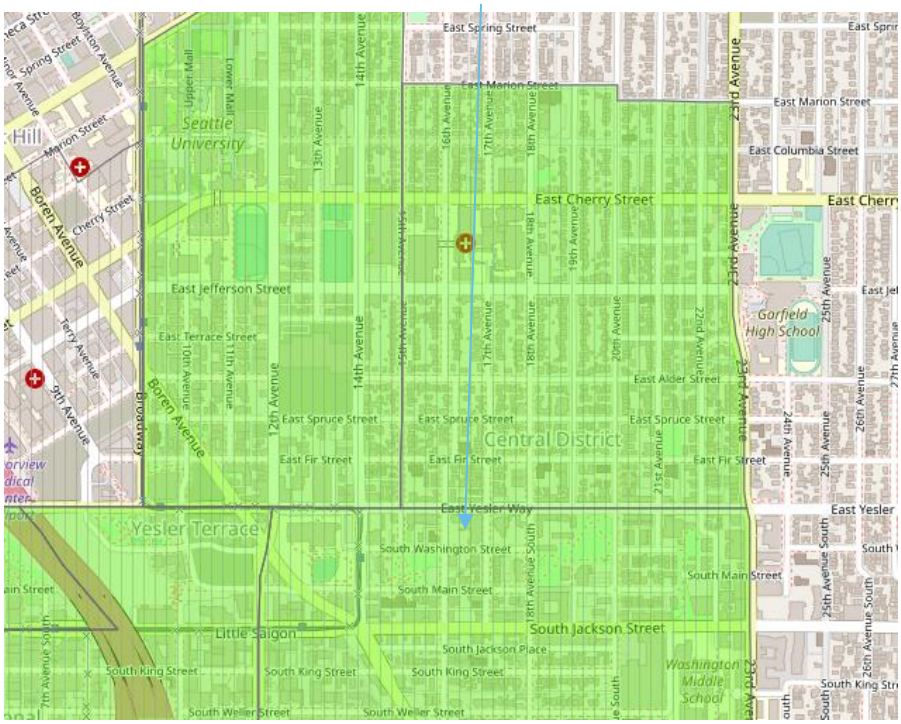
Opportunity Zone

This is part of the 2017 Tax Cuts and Jobs Act. Tax incentive to invest in properties economically distressed areas as defined here: https://www.commerce.wa.gov/growing-the-economy/opportunity-zones/ may require significant renovation/improvement of the property. If gains from the sale of “any” property are reinvested into a qualified property, those gains, by election, are deferred. This deferral is a concept similar, although much less restrictive, than a 1031 exchange. If the taxpayer holds the investment for at least 5 years, the initial deferred gain is reduced by 10%; reduced by an additional 5% for a 7-year hold; and for a 10-year hold, the investor recognizes 85% of the original gain, but then any additional gains that are realized/recognized after the 10-year holding period would be completely tax free for federal income tax purposes.

Subject’s Site



Conclusion

Overall, the subject site is considered a good residential site in terms of its location, exposure, and access to employment, education and shopping centers. All of these characteristics provide supporting uses for the subject site making it desirable for multifamily development. Overall, there are no known factors that would limit the site's development according to its highest and best use.

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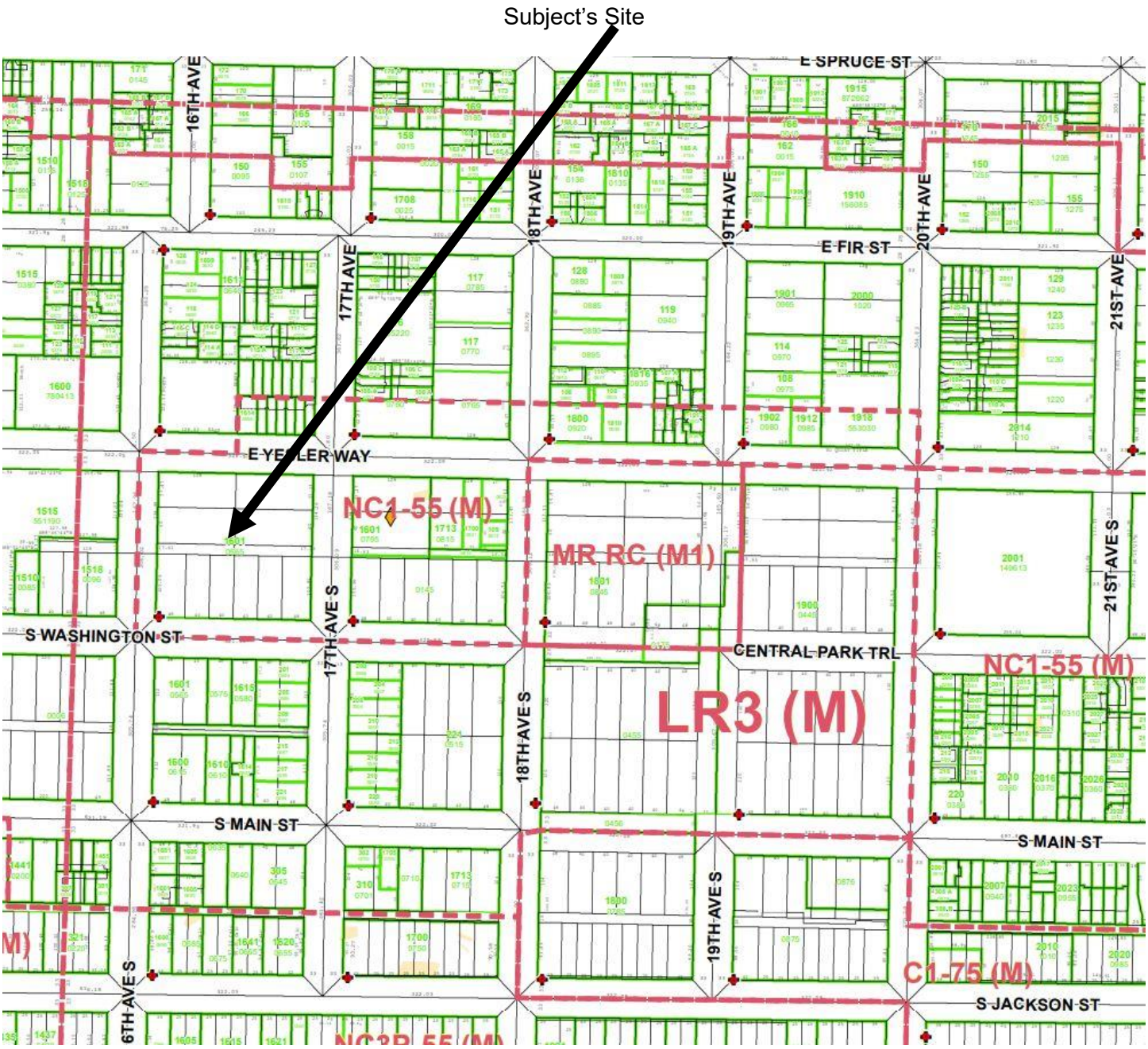
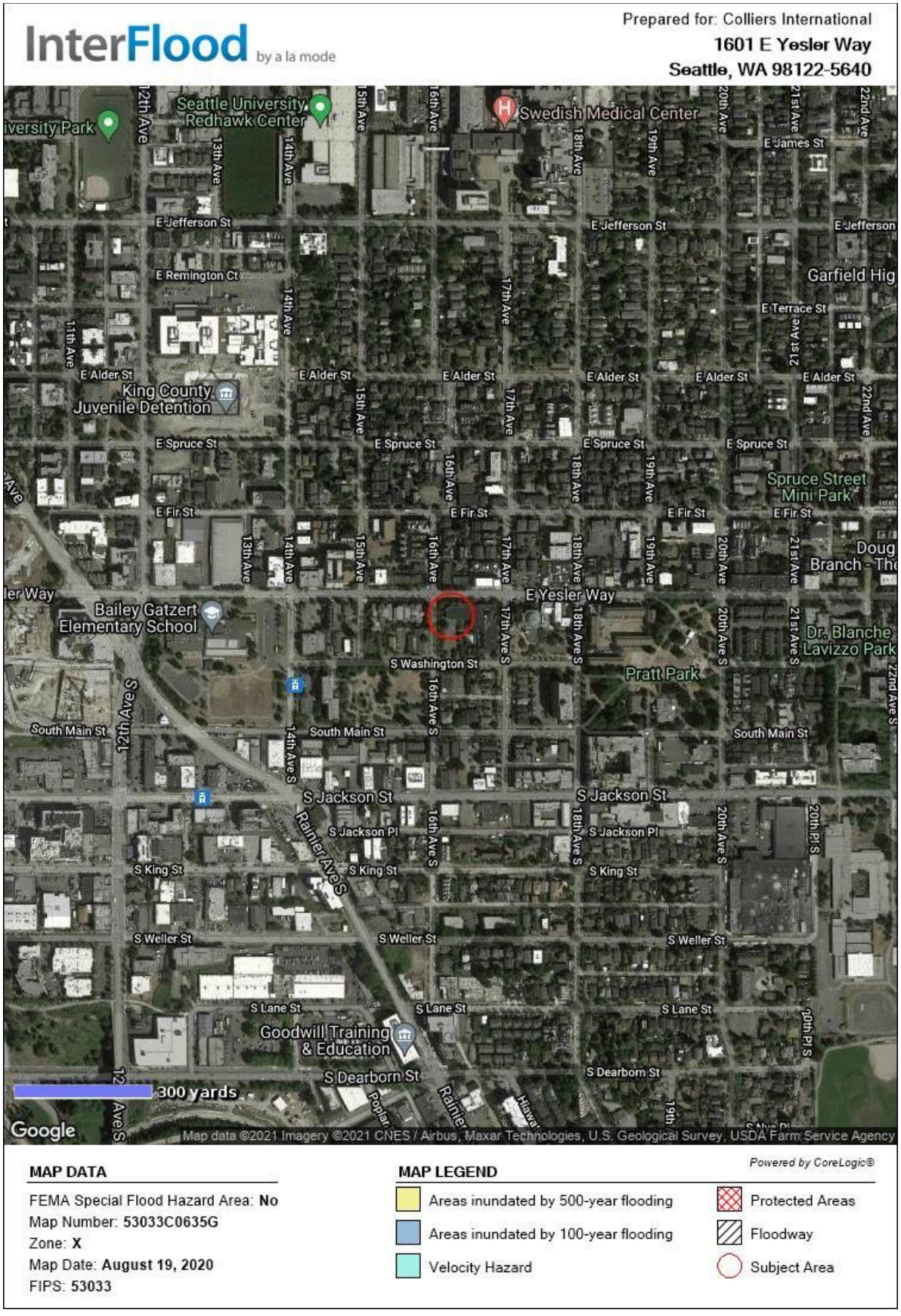
PLAT MAP

Subject's Site
E YESLER WY
S WASHINGTON ST
16TH AV S
17TH AV S
780413
16th Avenue Townhomes Condo
VOL 72-22 28
16th Ave Townhomes (Condo)
VOL 72-22 28
16th Ave Townhomes
(Condo)
VOL 72-22 28
Cherry Hill COURT Condo
VOL 59-87 90
155220
982670
551190
Midori
(Condo)
VOL 184-38 43
SESS No 77-145
SESS 3008270
H.L.

ZONING MAP


Subject's Site
E SPRUCE ST
16TH AVE
17TH AVE
18TH AVE
19TH AVE
20TH AVE
21ST AVE
E FIR ST
E YESLER WAY
NC1-55 (M)
MR RC (M1)
LR3 (M)
NC1-55 (M)
S WASHINGTON ST
CENTRAL PARK TRL
17TH AVE S
18TH AVE S
19TH AVE S
21ST AVE S
S MAIN ST
S MAIN ST
6TH AVE S
C1-75 (M)
S JACKSON ST

FLOOD MAP


InterFlood by a la mode
Prepared for: Colliers International
1601 E Yesler Way
Seattle, WA 98122-5640
Seattle University Redhawk Center
Swedish Medical Center
King County Juvenile Detention
Bailey Gatzert Elementary School
Goodwill Training & Education
Spruce Street Mini Park
Pratt Park
Dr. Blanche Lavizzo Park
E Yesler Way
E Jefferson St
E Alder St
E Spruce St
E Fir St
S Washington St
South Main St
S Jackson St
S King St
S Weller St
S Lane St
S Dearborn St
Rainier Ave S
300 yards
Google
Map data ©2021 Imagery ©2021 CNES / Airbus, Maxar Technologies, U.S. Geological Survey, USDA Farm Service Agency
MAP DATA
FEMA Special Flood Hazard Area: No
Map Number: 53033C0635G
Zone: X
Map Date: August 19, 2020
FIPS: 53033
Powered by CoreLogic®
MAP LEGEND
Areas inundated by 500-year flooding
Areas inundated by 100-year flooding
Velocity Hazard
Protected Areas
Floodway
Subject Area

Improvement

The subject's site is improved with a two-story building containing 70,440 square feet that was completed in 1987. The improvement is a 150-bed nursing home, is vacant and in poor/fair condition and will be demolished to make way for the proposed development.

Proposed Improvements

UNIT MIX				
UNIT TYPES	**NO. UNITS**	**% OF TOTAL**	**UNIT SIZE (SF)**	**NRA (SF)**
Studio	47	16.5%	487	22,885
1/1 Open	91	31.9%	562	51,106
1/1	124	43.5%	651	80,739
2/2	18	6.3%	859	15,465
2/2 TH	5	1.8%	1188	5,940
TOTAL/AVERAGE	**285**	**100%**	**618**	**176,135**
TOTAL NET RENTABLE AREA (NRA)				**176,135**

The unit sizes were provided by the client.

Year Built

Proposed

Design/Construction

The wood frame, mid-rise building will meet current building code.

Quality

Based on the descriptions provided for the proposed development, the subject will be of average quality, with good appeal for tenants within the immediate market area.

Interior Layout/Finish

The proposed interior improvements of the units are still being finalized as of the date of this report. However, the client report that the improvements will consist appliances and materials similar to that installed in newer affordable apartment projects in the Seattle market.

Fire, Life, and Safety

The buildings will contain smoke detectors and fire sprinkler system throughout the building common areas and units.

Parking

Parking will be provided onsite and meet Seattle's zoning code.

Condition

Excellent at time of completion

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INTRODUCTION

Assessment of real property is established by an assessor that is an appointed or elected official charged with determining the value of each property. The assessment is used to determine the necessary rate of taxation required to support the municipal budget. A property tax is a levy on the value of property that the owner is required to pay to the municipality in which it is situated. Multiple jurisdictions may tax the same property.

The subject property is located within King County. The assessed value and property tax for the current year are summarized in the following table.

ASSESSMENT & TAXES						
Tax Year	2021				Tax Rate	$9.3112
Tax Rate Area	0010				Taxes Current	Yes
APN	**LAND**	**IMPV**	**TOTAL**	**EXEMPTIONS**	**TAXABLE**	**BASE TAX**
982670-0565	$10,753,400	$1,000	$10,754,400	$0	$10,754,400	$100,136
Totals	**$10,753,400**	**$1,000**	**$10,754,400**	**$0**	**$10,754,400**	**$100,136**
Total/Unit	**$37,731**	**$4**	**$37,735**	**$0**	**$37,735**	**$351**
Total/SF (NRA)	**$61.05**	**$0.01**	**$61.06**	**$0.00**	**$61.06**	**$0.57**
	ADDITIONAL TAX CHARGES					
Surface Water						$8,552
Noxious Weed						$6
Conservation						$12
Total Additional Tax Charges						**$8,569**
Total Additional Tax Charges Per Unit						**$30**
Total Additional Tax Charges Per SF (NRA)						**$0.05**
Total Base Tax & Additional Tax Charges						**$108,706**
Total Base Tax & Additional Tax Charges Per Unit						**$381**
Total Base Tax & Additional Tax Charges Per SF (NRA)						**$0.62**

Source: King County Assessment & Taxation

SUBJECT PROPERTY ANALYSIS

Taxes in Washington State are based on assessments that are established through the County Assessor in each individual County. By law, properties are assessed at 100% of Market Value. However, actual assessments are typically found to be less than 100% of current market value. This is due to the Assessor's Office typically being on the conservative side. Assessment cycles are between one and four years depending on the county. The subject is in King County. They revalue properties on an annual basis. Values are established via mass appraisal methods and sales data. Properties are not reappraised upon transfer or reappraised at sale prices.

The current levy rate for the subject property is $9.31120 per $1,000 of assessed value. The 2021 assessed value before exemptions (if necessary) for the property totals $10,754,400. Assessed values in the subject's market area typically range between 60% and 100% of market value. The subject's 2021 assessed value before exemptions (if necessary) represents 78% of the concluded market value of this report ($13,840,000). The resulting assessed ratio falls within the typical range and thus, the assessed value is considered reasonable.

According to King County Assessor's records, real estate taxes for the subject property are current as of the date of this report.

STABILIZED TAXES

In estimating the real estate taxes an estimate of market value of the subject is determined using a 4.25% capitalization rate. Typically, assessed values range from 60% to 100% of market value. Based on the range

exhibited by the assessed ratio comparables, a ratio of 85% is employed. Further, the current levy rate to estimate the real estate tax is applied. The estimated real estate tax plus other charges is summarized in the following table.

ESTIMATED STABILIZED TAXES		
	Net Operating Income	$4,007,818
÷	Capitalization Rate	4.25%
	Estimated Stabilized Value	$94,301,592
x	Adjustment for Assessment	85.0%
=	Estimated Assessed Value	$80,156,353
x	Current Millage Rate ($1,000)	$9.3112000
=	**RE Taxes Estimate**	**$746,352**
	RE Taxes/Unit	**$2,619**
	RE Taxes/NRA	**$4.24**

TAX EXEMPTION

The proposed project should qualify for a full tax exemption in 2023 due to the nonprofit ownership and the operation as an affordable housing property. The legislative laws have changed, effective with the January 1, 2022 submittal for 2023 taxes. As of this future cycle, the threshold becomes 60% of AMI rather than 50% of AMI. Noting the subject's deed restrictions of at least 60% on all units, it should be able to receive a full exemption starting in 2023. Further, it is also noted that the renewal will only be required every three years as of the 2023 tax year.

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INTRODUCTION

Zoning requirements typically establish permitted and prohibited uses, building height, lot coverage, setbacks, parking and other factors that control the size and location of improvements on a site. The zoning characteristics for the subject property are summarized below:

ZONING SUMMARY	
Municipality Governing Zoning	City of Seattle Planning & Zoning Department
Current Zoning	Neighborhood Commercial (NC1-55(M))
Permitted Uses	Multifamily, Commercial, Mixed-Use, Office, Auto, Day Care, Retail
Current Use	Nursing Home
Is Current Use Legally Permitted?	Yes
Zoning Change	Not Likely
Proposed Use	Apartments (Affordable)
Is Proposed Use Legally Permitted?	Yes

ZONING REQUIREMENTS	
Conforming Use	The proposed improvements represent a conforming use within this zone.
Minimum Yard Setbacks	
Front (Feet)	10
Rear (Feet)	15 Feet across from Single Family zone
Side (Feet)	15 Feet across from Single Family zone
Subject Density (Units/Acre)	202.0
Maximum Building Height	55 Feet
Maximum Floor Area Ratio (FAR)	4.25 FAR within Overlay District
MHA Requirement	The subject's zoning is required to take into consideration the affordable housing requirements that apply for development in this zone. Thus, new development must either comply with one of the following: 1) payment option, which is a payment to the City's Office of Housing as part of the permitting process that will support affordable housing development throughout Seattle or (2) performance option, which will require rent-restricted units in the proposed development.

SUBJECT PARKING REQUIREMENT

FLOOR PLAN	UNITS	REQUIRED SPACES/UNIT	REQUIRED SPACES
All Units	285	No Parking is required because project is in Overlay District.	0
Required Parking Spaces			**0**
Parking Spaces Provided			**0**

Source: City of Seattle Planning & Zoning Department

ZONING CONCLUSIONS

Based on the interpretation of the zoning ordinance, the subject property is an outright permitted use that could be rebuilt if unintentionally destroyed.

Detailed zoning studies are typically performed by a zoning or land use expert, including attorneys, land use planners, or architects. The depth of my analysis correlates directly with the scope of this assignment, and it considers all pertinent issues that have been discovered through my due diligence. Please note that this

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appraisal is not intended to be a detailed determination of compliance, as that determination is beyond the scope of this real estate appraisal assignment.

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MARKET ANALYSIS – REGIONAL

Regional Overview

Market conditions that influence the subject property will be considered for the Puget Sound (King, Pierce and Snohomish Counties) area. Demand and supply factors, as well as the subject's competitive position, are discussed.

Through the first quarter of 2021, apartment market conditions continue to remain soft due to the increase in new units (supply) entering the market in the Central King (Central Seattle submarkets), Ballard/University District and Bellevue submarkets. Vacancy has crested 5% and can range up to 10%, rents are declining between annual rates of 4% and 15%, and concession use has greatly expanded with some projects offering up to three months free rent with a signed 12-month lease. The other submarkets continue to remain moderate to strong with demand matching supply and vacancies remaining below 5%, rents leveling to slightly increasing, and minor use of concessions.

The apartment market has been impacted, to a lesser extent, from the pandemic and its effects on the economy (higher unemployment). Economic credit loss has increased between 5% and 10%+ on average, above pre-COVID levels due to a few tenants paying partial or no rent. However, the majority of those tenants paying partial to no rent remain in their units and thus, is not reflected in occupancy or vacancy surveys. Absorption for new projects greatly slowed during the "Stay at Home" order from mid-March 2020 to early May 2020 but has since generally increased back to pre-COVID levels. The submarkets that are impacted the greatest from the pandemic are located in Central Seattle or are influenced from a college/university because they are providing online learning only and most students have not returned to campus.

Before the impact on the economy from the corona virus in March 2020, demand was strong and met the high levels of new apartment construction (~9,500 units) in 2019. In 2018, the number of completed projects dipped between 7,500 and 8,500 units. During years 2016 and 2017, completed units was greater than 10,000 per year. The market area that registered the highest amount of new apartment development since 2012 is the Central King market that consists of the downtown Seattle neighborhoods. The submarkets in East King County and South Snohomish County, along with Renton are also recorded a high amount of new construction but at a lesser rate than the Central Seattle market. New development was also occurring in other Puget Sound markets but at lower rates.

New construction in Pierce County started a few years (in 2014) after development started in Seattle due to sluggishness coming out of the recession. Through the fourth quarter of 2020, new projects continue to be developed with proposed projects starting to be presented at a faster pace. However, with the negative impact on the economy from the virus some proposed projects are being delayed until market conditions present a more favorable development scenario. Lastly, because of the slow start to new development compared to King and Snohomish counties, vacancy is lower at 2.6% as of Q1 2021 compared to the other two counties at 5.8%.

Eviction Moratoriums

Governor Jay Inslee has prevented residential landlords from serving a notice of unlawful detainer for default payment of rent during the COVID-19 pandemic. Originally intended to last 30 days, the moratorium was expanded and extended in April 2020 and again in early June, July, October, and December 31st 2020, and most recently again on March 31st 2021 when it was extended to June 30th. As such, landlords are prohibited from issuing termination notices due to nonpayment of rent and most terminations without cause are banned until June 30, 2021. Additionally, rents are unable to be increased when the contract ends on existing tenants. Thus, rents can only be increased for new tenants.

Regional Demand

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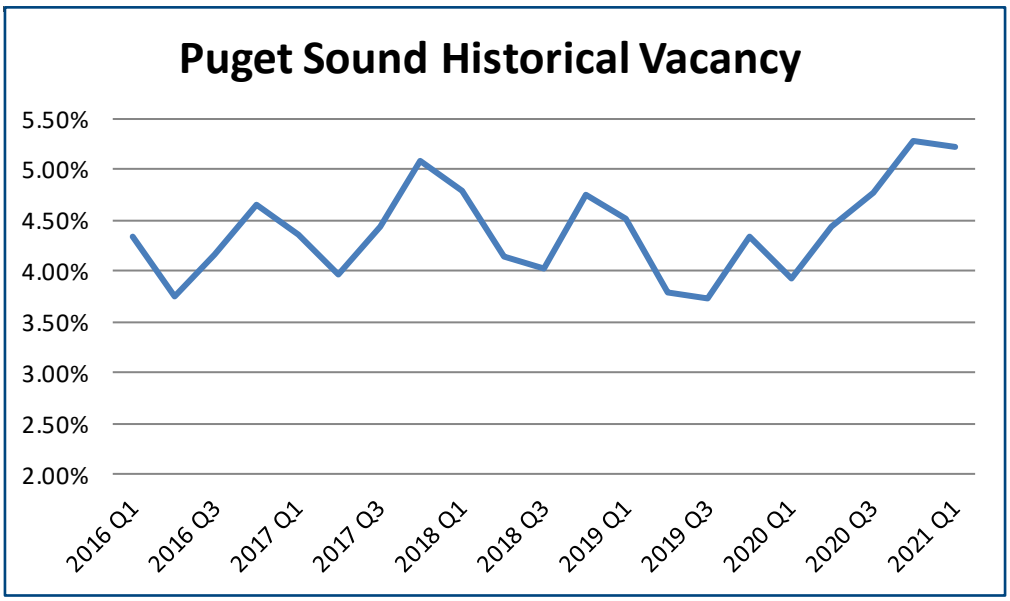
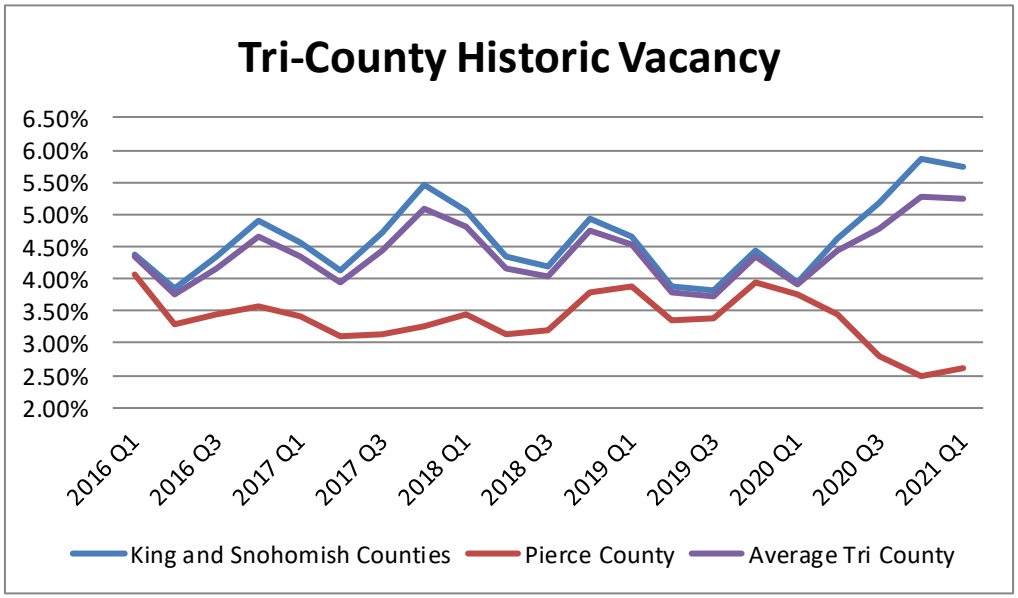
Vacancy rates have generally increased since mid-March 2020 and the start of the pandemic. Before the pandemic, demand was strong with vacancy registered at 4.4% for Q4 2019. Vacancy slightly decreased from the previous quarter (Q4 2020) and up from that recorded one year ago (Q1 2020). Since Q3 2015, vacancy has ranged generally between 3% to 5.3%.



Historical vacancy for the tri-county area mirrors the development trend in the wider region.



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Historical Vacancy						
Qtr/Yr.	King and Snohomish Counties	Qtr % Chng.	Pierce County	Qtr % Chng.	Tri County	Qtr % Chng.
2016 Q1	4.4%		4.1%		4.3%	
2016 Q2	3.9%	-53 bps	3.3%	-79 bps	3.8%	-58 bps
2016 Q3	4.3%	47 bps	3.4%	15 bps	4.2%	41 bps
2016 Q4	4.9%	57 bps	3.6%	13 bps	4.7%	50 bps
2017 Q1	4.6%	-35 bps	3.4%	-15 bps	4.4%	-31 bps
2017 Q2	4.1%	-42 bps	3.1%	-32 bps	4.0%	-40 bps
2017 Q3	4.7%	58 bps	3.1%	3 bps	4.4%	48 bps
2017 Q4	5.5%	74 bps	3.3%	13 bps	5.1%	64 bps
2018 Q1	5.1%	-38 bps	3.4%	18 bps	4.8%	-29 bps
2018 Q2	4.4%	-72 bps	3.1%	-30 bps	4.2%	-65 bps
2018 Q3	4.2%	-17 bps	3.2%	7 bps	4.0%	-13 bps
2018 Q4	4.9%	75 bps	3.8%	58 bps	4.7%	72 bps
2019 Q1	4.7%	-28 bps	3.9%	8 bps	4.5%	-23 bps
2019 Q2	3.9%	-76 bps	3.3%	-53 bps	3.8%	-72 bps
2019 Q3	3.8%	-8 bps	3.4%	6 bps	3.7%	-6 bps
2019 Q4	4.4%	62 bps	4.0%	55 bps	4.3%	61 bps
2020 Q1	4.0%	-48 bps	3.8%	-19 bps	3.9%	-43 bps
2020 Q2	4.6%	68 bps	3.5%	-31 bps	4.4%	52 bps
2020 Q3	5.2%	54 bps	2.8%	-66 bps	4.8%	34 bps
2020 Q4	5.9%	68 bps	2.5%	-31 bps	5.3%	51 bps
2021 Q1	5.8%	-10 bps	2.6%	14 bps	5.2%	-6 bps
Rent Trend						
6 Months		58 bps		-17 bps		45 bps
12 Months		180 bps		-114 bps		131 bps
24 Months		110 bps		-125 bps		71 bps
Annual Avg.		55 bps		-62 bps		35 bps
60 Months		136 bps		-146 bps		90 bps
Annual Avg.		27 bps		-29 bps		18 bps

Source: The Apartment Report by RealPage Inc., Q1 2021

Regional Vacancy Forecast

According to the forecast from the Q1 2021 edition of The Apartment Report, published by RealPage, Inc., the King-Snohomish County market vacancy rate is forecasted to decrease to 4.5% as of Q1 2022 (next 12 months) due to a lower amount of new supply entering the market. CIVAS forecasts that Pierce County will continue to show a lower vacancy at 3.0% or less over the next year and lower than the King-Snohomish County market. Please note that RealPage, Inc., only forecasts data for King and Snohomish Counties. Concessions in new projects are impacting existing properties in the Central King sub-market. However, vacancy remains generally below 5% outside of the Central King sub-market as demand continues to meet supply. It should be noted that the market vacancy rate excludes new projects during lease-up.

Regional Rental Rates

As of Q1 2021, rental rates have remained level to decreasing in the Puget Sound market due to the amount of new supply coming online in King County and the impacts on the economy from the virus. Rental rates decreased slightly by 0.4% over the previous quarter of Q4 2020 and decreased by 6.0% since Q1 2020. From 2013 to 2018, rents increased from 0.8% to 7.6%. The only quarters showing a decrease in rents were Q4 in years 2015 through 2018, with Q4 2019 showing no increase. Since the pandemic started in March 2020, rental rates in the Tri-County market have shown a declining trend. The following tables summarize the average monthly rents and the average monthly rent change for the market areas and the overall tri-county area.

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Historical Average Monthly Rent						
Qtr/Yr.	King and Snohomish Counties	Qtr % Chng.	Pierce County	Qtr % Chng.	Tri County	Qtr % Chng.
2016 Q1	$1,556		$1,039		$1,460	
2016 Q2	$1,635	5.1%	$1,070	3.0%	$1,532	4.9%
2016 Q3	$1,662	1.7%	$1,107	3.5%	$1,560	1.8%
2016 Q4	$1,638	-1.4%	$1,123	1.4%	$1,546	-0.9%
2017 Q1	$1,671	2.0%	$1,137	1.2%	$1,579	2.2%
2017 Q2	$1,763	5.5%	$1,174	3.3%	$1,664	5.4%
2017 Q3	$1,770	0.4%	$1,198	2.0%	$1,673	0.5%
2017 Q4	$1,722	-2.7%	$1,201	0.3%	$1,635	-2.3%
2018 Q1	$1,731	0.5%	$1,217	1.3%	$1,646	0.6%
2018 Q2	$1,794	3.6%	$1,245	2.3%	$1,704	3.6%
2018 Q3	$1,816	1.2%	$1,263	1.4%	$1,727	1.3%
2018 Q4	$1,788	-1.5%	$1,271	0.6%	$1,705	-1.3%
2019 Q1	$1,798	0.6%	$1,287	1.3%	$1,714	0.5%
2019 Q2	$1,854	3.1%	$1,314	2.1%	$1,765	3.0%
2019 Q3	$1,896	2.3%	$1,355	3.1%	$1,804	2.2%
2019 Q4	$1,897	0.1%	$1,373	1.3%	$1,808	0.2%
2020 Q1	$1,938	2.2%	$1,385	0.9%	$1,846	2.1%
2020 Q2	$1,918	-1.0%	$1,385	0.0%	$1,830	-0.9%
2020 Q3	$1,877	-2.1%	$1,421	2.6%	$1,802	-1.5%
2020 Q4	$1,803	-3.9%	$1,440	1.3%	$1,743	-3.3%
2021 Q1	$1,789	-0.8%	$1,469	2.0%	$1,736	-0.4%
Rent Trend						
6 Months		**-4.7%**		**3.4%**		**-3.7%**
12 Months		**-7.7%**		**6.1%**		**-6.0%**
24 Months		**-0.5%**		**14.1%**		**1.3%**
Annual Avg.		**-0.3%**		**7.1%**		**0.6%**
60 Months		**15.0%**		**41.4%**		**18.9%**
Annual Avg.		**3.0%**		**8.3%**		**3.8%**

Source: The Apartment Report by RealPage Inc., Q1 2021

Regional Rent Forecast

According to forecast data from the Q1 2021 edition of The Apartment Report, published by RealPage, Inc., the King-Snohomish County market rental rate is forecasted to decrease by -4.8% as of Q1 2022 (next 12 months). CIVAS forecasts that Pierce County an increase of 6.0% over the next year.

Regional Supply

New development is primarily occurring in King County and more specifically, central Seattle (downtown neighborhoods) although at a declining rate. Snohomish County is experiencing new development that is focused in the South Snohomish county market areas. New development is also occurring in Pierce County but at a lesser amount then in Snohomish County. The following chart and table summarizes the annual supply for the markets.

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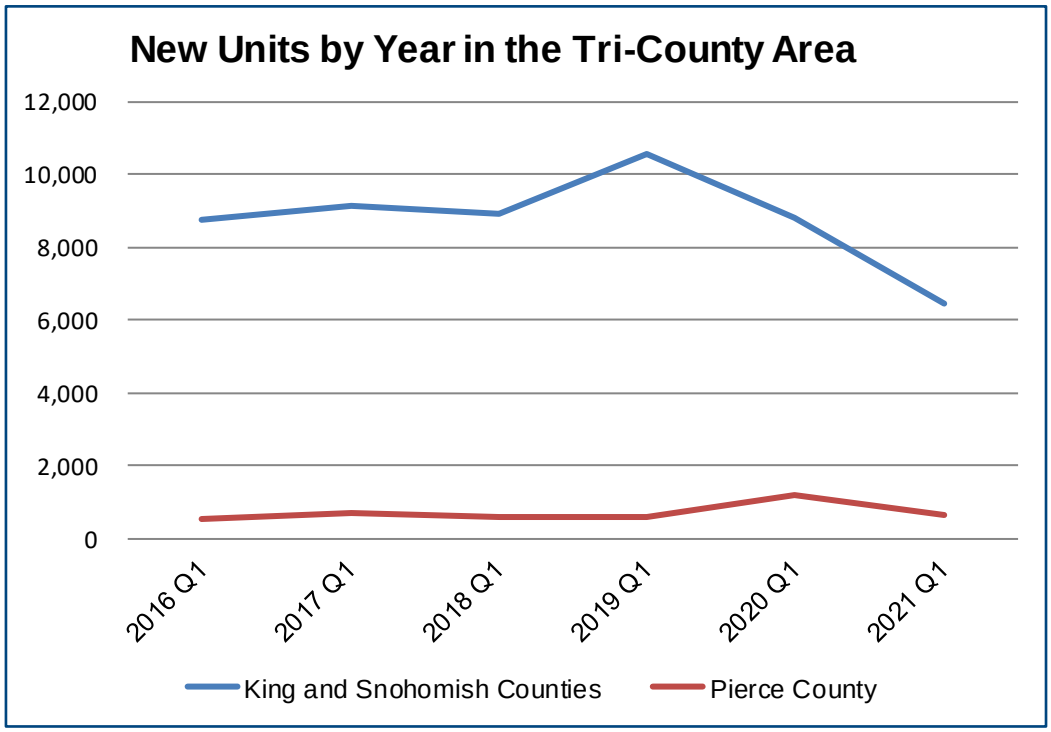

New Apartment Units - Completed												
	King and Snohomish Counties				Pierce County				Tri County			
Qtr/Yr.	Qtr	Chng.	Annual	Chng.	Qtr	Chng.	Annual	Chng.	Qtr	Chng.	Annual	Chng.
2016 Q1	1,389		8,777		144		521		1,533		9,298	
2016 Q2	2,354	965	9,008	231	148	4	543	22	2,502	969	9,551	253
2016 Q3	2,604	250	8,935	-73	143	-5	589	46	2,747	245	9,524	-27
2016 Q4	2,301	-303	8,648	-287	200	57	635	46	2,501	-246	9,283	-241
2017 Q1	1,853	-448	9,112	464	191	-9	682	47	2,044	-457	9,794	511
2017 Q2	2,845	992	9,603	491	133	-58	667	-15	2,978	934	10,270	476
2017 Q3	3,026	181	10,025	422	122	-11	646	-21	3,148	170	10,671	401
2017 Q4	1,335	-1,691	9,059	-966	217	95	663	17	1,552	-1,596	9,722	-949
2018 Q1	1,702	367	8,908	-151	132	-85	604	-59	1,834	282	9,512	-210
2018 Q2	2,301	599	8,364	-544	116	-16	587	-17	2,417	583	8,951	-561
2018 Q3	2,303	2	7,641	-723	131	15	596	9	2,434	17	8,237	-714
2018 Q4	2,936	633	9,242	1,601	88	-43	467	-129	3,024	590	9,709	1,472
2019 Q1	3,038	102	10,578	1,336	224	136	559	92	3,262	238	11,137	1,428
2019 Q2	2,861	-177	11,138	560	294	70	737	178	3,155	-107	11,875	738
2019 Q3	2,266	-595	11,101	-37	434	140	1,040	303	2,700	-455	12,141	266
2019 Q4	1,992	-274	10,157	-944	306	-128	1,258	218	2,298	-402	11,415	-726
2020 Q1	1,701	-291	8,820	-1,337	130	-176	1,164	-94	1,831	-467	9,984	-1,431
2020 Q2	1,283	-418	7,242	-1,578	0	-130	870	-294	1,283	-548	8,112	-1,872
2020 Q3	2,130	847	7,106	-136	252	252	688	-182	2,382	1,099	7,794	-318
2020 Q4	997	-1,133	6,111	-995	273	21	655	-33	1,270	-1,112	6,766	-1,028
2021 Q1	2,048	1,051	6,458	347	133	-140	658	3	2,181	911	7,116	350

Source: The Apartment Report by RealPage Inc., Q1 2021

Regional – New Unit Absorption

As of Q1 2021, absorption has generally increased since the first few months of the pandemic but remain on average lower compared to pre-COVID levels. During the “Stay at Home” order leasing agents and managers reported a 60% to 85% decrease in tenants signing leases for projects in lease-up compared to their average in Q4 2019 and in the first two months of 2020. Overall, absorption had been showing an overall declining trend since 2016. Over the next 12 months, absorption is anticipated to remain similar to that exhibited over the last 12 months.

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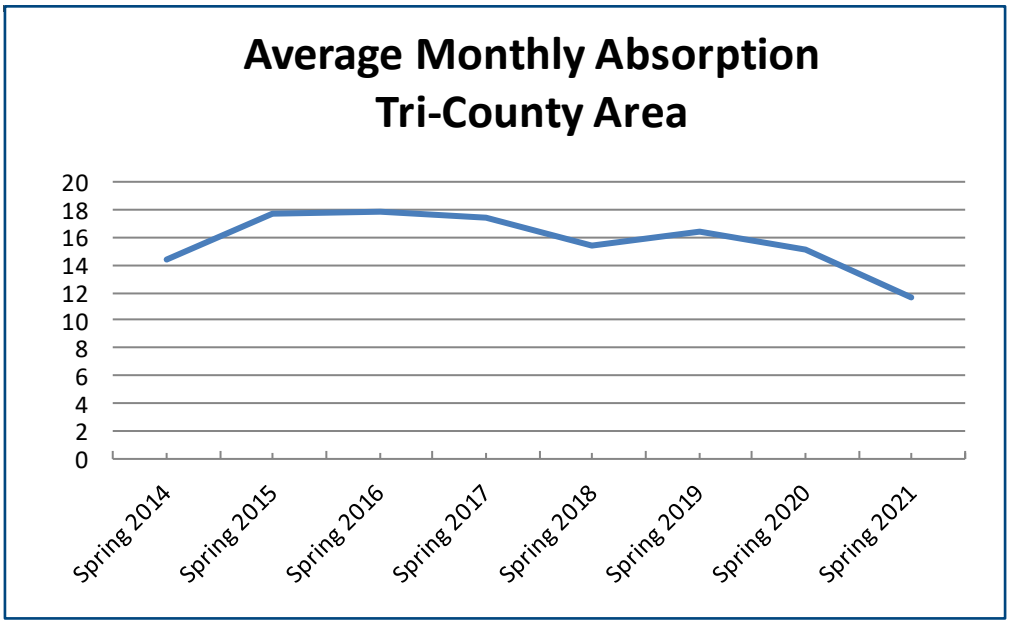

Apartment Absorption Tri-County Market - New Units								
	Spring 2014	Spring 2015	Spring 2016	Spring 2017	Spring 2018	Spring 2019	Spring 2020	Spring 2021
Overall Avg.	**14.4**	**17.7**	**17.8**	**17.4**	**15.4**	**16.4**	**15.1**	**11.6**
Unit Count < 100	8.4	11.4	11.0	10.5	9.9	11.4	10.1	7.6
Unit Count 101 to 250	14.0	17.0	20.2	20.0	19.5	14.6	13.1	13.1
Unit Count > 250	22.8	27.0	20.6	28.6	29.0	24.4	22.1	14.6

** Average new units leased per month*

Source: CIVAS, The Apartment Report by RealPage Inc., Q1 2021

Date: Q1 2021

Regional Tenant Profile

The tenant profile for multi-family properties in the broader market is generally diverse. Area apartment managers indicate that their tenants represent a range of professional and non-professional singles, students, couples, families and retired persons. Additionally, there is a significant military concentration in Bremerton, South Tacoma and Lakewood, which has a substantial influence on these markets.

Regional Conclusion

The amount of new supply entering the market and the impacts on the economy from the coronavirus have slowed the strong market conditions that were recorded pre-COVID-19 in the Puget Sound. In the short term, market conditions are forecasted to soften with rents leveling to decreasing, vacancy remaining level to increasing, and concession use increasing. Construction was paused on projects that were under construction during the “Stay at Home” order and thus, pushing completion dates back by at least six weeks. Over the longer term (one year), rents are forecasted to slightly decrease and vacancy is to increase around 5%. For proposed construction, it is expected that some projects may be put on hold as the developers wait for more positive economic signs before moving forward, with other developers moving ahead as planned given their location and the market conditions within the immediate market area.

MARKET AREA OVERVIEW - SUBMARKET

Market Area Defined - Submarket

RealPage, Inc. classifies the subject’s general market area as Central King County. The subject is located in the Capitol Hill/Central District submarket, an established urban neighborhood situated one and one-half miles east of the Seattle CBD. The submarket’s boundaries, according to RealPage, Inc., are as identified in the following map:

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Subject's Location

Tenant Profile – Submarket

The tenant profile for multi-family properties in the Central King market is generally diverse. Area apartment managers indicate that their tenants represent a range of professional and non-professional singles, students, couples, families and retired persons.

Supply - Submarket

Supply refers to properties that are, or will be, the subject's competition to varying extent. Supply consists of three segments: (1) Existing, which represents current inventory; (2) Developing, which represents nearly certain competition (i.e., new construction in progress or anticipated soon to begin); and (3) Potential, which represents new inventory that could possibly enter the market in the near to midterm. Emphasis is placed on existing supply since it is the segment most likely to compete with the subject. Relevant supply segments are discussed below.

Existing Inventory - Submarket

The subject's submarket is an established urban neighborhood. The current inventory for the Capitol Hill/Central District submarket and the extended Central King County market area is summarized below.

Extended Market Inventory

Market	# units	% of Market
Capitol Hill/Central District	34,428	10%
Downtown Seattle	30,434	9%
South Lake Union/Queen Anne	26,645	8%
West Seattle/South Seattle	18,614	5%
Seattle-Bellevue-Everett, WA	**354,144**	**100%**

Source: The Apartment Report by RealPage Inc., Q1 2021

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Proposed and Developing Inventory - Submarket

According to RealPage, Inc. the latest *The Apartment Report,* new inventory in the extended Central King County market area is provided in the following table.

Apartment Construction
(Completed Units per Qtr.)

Quarter	Capitol Hill / Central District	Downtown Seattle	South Lake Union / Queen Anne	West Seattle / South Seattle	Seattle-Bellevue-Everett, WA
2016 Q1	325	59	77	168	**1,389**
2016 Q2	375	246	662	82	**2,354**
2016 Q3	367	164	181	119	**2,604**
2016 Q4	351	111	135	250	**2,301**
2017 Q1	218	190	346	136	**1,853**
2017 Q2	253	481	499	129	**2,845**
2017 Q3	579	375	689	146	**3,026**
2017 Q4	109	554	251	0	**1,335**
2018 Q1	174	584	345	113	**1,702**
2018 Q2	248	277	643	180	**2,301**
2018 Q3	217	682	281	152	**2,303**
2018 Q4	290	133	980	104	**2,936**
2019 Q1	150	1,054	421	91	**3,038**
2019 Q2	249	329	437	198	**2,861**
2019 Q3	21	117	601	53	**2,266**
2019 Q4	57	79	516	0	**1,992**
2020 Q1	134	0	215	108	**1,701**
2020 Q2	321	0	34	15	**1,283**
2020 Q3	815	91	0	47	**2,130**
2020 Q4	284	0	67	0	**997**
2021 Q1	317	0	202	0	**2,048**
Construction Trend					
12-Mo. Total	**1,737**	**91**	**303**	**62**	**6,458**
24-Mo. Total	**2,198**	**616**	**2,072**	**421**	**15,278**
Annual Avg.	**1,099**	**308**	**1,036**	**211**	**7,639**
60-Mo. Total	**5,854**	**5,526**	**7,582**	**2,091**	**45,265**
Annual Avg.	**1,171**	**1,105**	**1,516**	**418**	**9,053**

Source: The Apartment Report
by RealPage Inc., Q1 2021

RealPage, Inc. only provides details on recently completed and under construction projects. Therefore, to provide a more complete list of supply, Costar was utilized. The following table summarizes under construction and proposed projects (excludes senior and low-income housing) as of January 21, 2021. Further, the column of "Opens (Yr.)" indicates the general year the project will be completed. The table below shows all new projects planned or under construction in the Central King County market area.

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Development List **Area: King County-Central King County**

Neighborhood	Status	Units	Opens (Yr.)	Project Name	Address	Owner/Developer
Alki	E	11	2020	No Name	1118 Alki Ave SW, Seattle	Unknown
Alki	E	15	2020	Harbor Avenue Campus	1307 Harbor Ave SW, Seattle	Unknown
Alki	UC	40	2022	Alki Beach Residences	1250 Alki Ave SW, Seattle	Vibrant Cities
Beacon Hill	E	Unknown	2020	No Name	2114 14th Ave S, Seattle	Unknown
Beacon Hill	E	5	2020	Columbia Townhomes	5936 36th Ave S, Seattle	Unknown
Beacon Hill	UC	43	2021	No Name	1807 13th Ave S, Seattle	Build Urban
Beacon Hill	UC	15	2021	Homebody Apartments	2119 13th Ave S, Seattle	Marco & Minkyung K Lowe
Beacon Hill	UC	99	2021	Colina East	2709 17th Ave S, Seattle	Pacific Housing Northwest
Beacon Hill	UC	80	2021	No Name	2538 Beacon Ave S, Seattle	Matt Herron
Beacon Hill	UC	139	2021	The Colina	2710 Beacon Ave S, Seattle	Unknown
Beacon Hill	UC	40	2021	No Name	2710 Beacon Ave S, Seattle	Pacific Housing Northwest
Beacon Hill	UC	186	2021	No Name	1801 Rainier Ave S, Seattle	Jabooda Homes, Inc
Beacon Hill	UC	66	2022	No Name	2912 Beacon Ave S, Seattle	Unknown
Beacon Hill	P	97	2021	Beacon Crossing	2505 Beacon Ave S, Seattle	Scott McDonald
Beacon Hill	P	34	2021	Link Townhomes	4215 S Trenton St, Seattle	Intracorp Homes
Beacon Hill	P	46	2021	Valentine Lofts	1751-1755 Valentine Pl S, Seattle	Lily Lee
Beacon Hill	P	37	2022	Beacon Hill Apartments	2537 15th Ave S, Seattle	Acs Llc
Beacon Hill	P	60	2022	No Name	2007 S State St, Seattle	Jabooda Homes, Inc
Belltown	P	66	2021	No Name	2218 1st Ave, Seattle	GEM Real Estate Partners
Belltown	P	170	2022	LIV 2nd & Bell	2214-2224 2nd Ave, Seattle	Liv Communities
Belltown	P	60	2022	No Name	2234 2nd Ave, Seattle	Minglian Group
Belltown	P	285	2022	4th & Bell Tower	2302 4th Ave, Seattle	Carlton Development
Belltown	P	136	2022	No Name	2121 5th Ave, Seattle	Rick Tsang
Belltown	P	225	2022	Belltown 36 Development	314 Bell St, Seattle	Security Properties, Inc.
Belltown	P	Unknown	2022	No Name	2624 Western Ave, Seattle	Unknown
Belltown	P	105	2022	3031 Western Apartments	3031 Western Ave, Seattle	Martin Selig Real Estate
Belltown	P	346	2023	No Name	2208-2218 4th Ave, Seattle	Skanska USA Building
Capitol Hill	E	36	2020	The Landon	121 15th Ave E, Seattle	Isola Homes
Capitol Hill	E	8	2020	Country Doctor Community Clinic	510 19th Ave E, Seattle	Country Doctor Community Clinic
Capitol Hill	E	45	2020	Oslo	323 Bellevue Ave E, Seattle	Thiam Chua
Capitol Hill	E	37	2020	Amhurst Micro Studios	516 Bellevue Ave E, Seattle	Unknown
Capitol Hill	E	85	2020	Modera Broadway - South	1734 Broadway, Seattle	Mill Creek Residential Trust, LLC
Capitol Hill	E	138	2020	Modera Broadway	1812 Broadway, Seattle	Mill Creek Residential Trust, LLC
Capitol Hill	E	29	2020	525 Federal	525 Federal Ave E, Seattle	G2 Development
Capitol Hill	E	72	2020	Clay Apartments	514 E Howell St, Seattle	Unknown
Capitol Hill	E	76	2020	No Name	600 E Howell St, Seattle	Blueprint Capital
Capitol Hill	E	10	2020	2010 E Jansen Ct	2010 E Jansen Ct, Seattle	Michael Van Dyck
Capitol Hill	E	36	2020	Solis	1300 E Pike St, Seattle	Barrientos RYAN
Capitol Hill	E	35	2021	Odessa	3122 Harvard Ave E, Seattle	Unknown
Capitol Hill	UC	36	2021	No Name	506 10th Ave E, Seattle	Valere
Capitol Hill	UC	21	2021	No Name	1821 13th Ave, Seattle	Vann Lanz
Capitol Hill	UC	61	2021	Bell View	736 Bellevue Pl E, Seattle	Burton Walls Investments
Capitol Hill	UC	58	2021	No Name	420 Boylston Ave E, Seattle	Johnson & Carr
Capitol Hill	UC	38	2021	Harvard Court	740 Harvard Ave E, Seattle	Donald Fabian
Capitol Hill	UC	15	2021	No Name	1417 E Howell St, Seattle	Northwest Builders Finance
Capitol Hill	UC	72	2021	Pivot	1208 Pine St, Seattle	Vibrant Cities
Capitol Hill	UC	36	2021	No Name	1010 E Republican St, Seattle	Noren Development
Capitol Hill	P	48	2021	No Name	310 11th Ave E, Seattle	Lexington Asset Management, LLC
Capitol Hill	P	20	2021	Multi-Family Redevelopment Site	614 13th Ave E, Seattle	America's Choice Real Estate
Capitol Hill	P	47	2021	No Name	1020 Bellevue Ct E, Seattle	Yu Xiahou

Status: E = Existing Apt.; UC = Under Construction; P = Proposed, FP = Future Project

Source: Costar as of January 21, 2021

Development List				Area: King County-Central King County		
Neighborhood	**Status**	**Units**	**Opens (Yr.)**	**Project Name**	**Address**	**Owner/Developer**
Capitol Hill	P	58	2021	No Name	524 Federal Ave, Seattle	Paragon Real Estate Advisors
Capitol Hill	P	8	2021	No Name	3220 Fuhrman Ave E, Seattle	Dennis Oldroyd
Capitol Hill	P	69	2021	No Name	225-231 Harvard Ave E, Seattle	Gabe Rosenshine
Capitol Hill	P	19	2021	No Name	416 Summit Ave E, Seattle	Bruce Petrie
Capitol Hill	P	22	2022	No Name	223 12th Ave E, Seattle	Elliott Severson & Michael Bashaw
Capitol Hill	P	68	2022	No Name	523 15th Ave E, Seattle	Hunters Capital
Capitol Hill	P	53	2022	Crosby Capitol Hill	1517 Bellevue Ave, Seattle	Li Wei Liu
Capitol Hill	P	50	2022	No Name	1833 Broadway, Seattle	Geoffrey Ma
Capitol Hill	P	18	2022	No Name	1106 E Denny Way, Seattle	Build Urban
Capitol Hill	P	34	2022	No Name	315 Federal Ave E, Seattle	Unknown
Capitol Hill	P	75	2022	No Name	2925 E Madison St, Seattle	The Velmeir Companies
Capitol Hill	P	38	2022	No Name	1310 E Pike St, Seattle	Madrona Real Estate Services LLC
Capitol Hill	P	78	2022	No Name	1320 E Pine St, Seattle	Revolve Development
Capitol Hill	P	37	2022	No Name	704 E Union St, Seattle	SRM Development
Capitol Hill	P	125	2022	No Name	722 E Union St, Seattle	SRM Development
Capitol Hill	P	68	2023	Sola on Harvard	1818 Harvard Ave, Seattle	John Courter
Central District	E	49	2020	CC Apartments	701 16th Ave, Seattle	Sabey Corporation
Central District	E	84	2020	Common Broadway	510 Broadway, Seattle	Unknown
Central District	UC	60	2021	Woodworth	953 E Union St, Seattle	American Classic Homes, LLC
Central District	UC	Unknown	2021	No Name	928 13th Ave, Seattle	Unknown
Central District	UC	76	2021	No Name	119 19th Ave, Seattle	Guide Property Services
Central District	P	111	2021	10th Ave Flats	216 10th Ave, Seattle	Sam & Jenny, Inc.
Central District	P	300	2022	No Name	104 12th Ave, Seattle	Unknown
Central District	P	39	2022	No Name	157 12th Ave, Seattle	Calhoun Property Management, Inc
Central District	P	274	2022	No Name	12th And Yesler, Seattle	Trent Development
Central District	P	42	2022	125 Studios	125 15th Ave, Seattle	Brocade Investment Group LLC
Central District	P	385	2022	First Central Station	1203 E Spruce St, Seattle	America's Choice Real Estate
Columbia City	UC	243	2021	Alta Columbia City	4716 Rainier Ave S, Seattle	Wood Partners
Columbia City	UC	45	2021	Dawson Street Apartments	5203 37th Ave S, Seattle	Denizen Development Group
Columbia City	UC	47	2021	No Name	2910 S Byron St, Seattle	Carl Raymond Haglund
Columbia City	UC	35	2021	Courtyard @ Claremont	3219 Claremont Ave S, Seattle	Modern Construction
Columbia City	P	40	2022	No Name	4735 32nd Ave S, Seattle	One Build Inc
Columbia City	P	168	2022	No Name	5217 42nd Ave S, Seattle	Storybuilt
Columbia City	P	150	2022	Mt. Baker Apartments	3208 Claremont Ave S, Seattle	Carl Raymond Haglund
Columbia City	P	82	2022	No Name	2950 S Dakota St, Seattle	Living Bode
Columbia City	P	10	2022	No Name	5306 Martin Luther King Jr Way S, Seattle	Truong N Le & Thuy Phan
Columbia City	P	112	2022	No Name	3235 Rainier Ave S, Seattle	Charles M Harker & Co
Columbia City	P	77	2022	No Name	3421 Rainier Ave S, Seattle	Build Urban
Columbia City	P	26	2022	No Name	4029 Rainier Ave S, Seattle	Timothy Lee
Denny Triangle	UC	437	2021	Denny Centre	2014 Fairview Ave, Seattle	Bosa Properties, Inc.
Denny Triangle	UC	1,050	2021	No Name	1200 Stewart St, Seattle	Westbank Projects Corporation
Denny Triangle	UC	393	2022	No Name	2019 Boren Ave, Seattle	Holland Partner Group
Denny Triangle	UC	435	2022	No Name	1000 Virginia St, Seattle	Holland Partner Group
Denny Triangle	P	706	2022	No Name	1901 Minor Ave, Seattle	Crescent Heights
Denny Triangle	P	610	2022	Block V	2301 Seventh Ave, Seattle	Onni Group
Denny Triangle	P	37	2022	No Name	1121 Stewart St, Seattle	Rajbir & Sukhbir Sandhu
Denny Triangle	P	400	2022	The Butcher's Table	2121 Westlake Ave, Seattle	Silverstein Properties
Denny Triangle	P	568	2023	No Name	800 Stewart St, Seattle	Lincoln Property Company
Denny Triangle	P	362	2024	No Name	1916 Boren Ave, Seattle	GZI
Denny Triangle	P	409	2024	No Name	920 Olive Way, Seattle	Pine Street Group LLC

Status: E = Existing Apt.; UC = Under Construction; P = Proposed, FP = Future Project

Source: Costar as of January 21, 2021

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Development List Area: King County-Central King County

Neighborhood	Status	Units	Opens (Yr.)	Project Name	Address	Owner/Developer
Denny Triangle	P	424	2024	1800 Terry Tower	1800 Terry Ave, Seattle	Seawest Investment Associates
Downtown Seattle	UC	192	2021	The Residences at Rainier Square	1340 4th Ave, Seattle	Wright Runstad & Co.
Downtown Seattle	P	498	2022	No Name	1516 2nd Ave, Seattle	Plus Investment USA
Downtown Seattle	P	100	2022	No Name	1405-1409 5th Ave, Seattle	MasterWorks Development Corporation
Downtown Seattle	P	430	2022	5th & Virginia Tower	1933 5th Ave, Seattle	Douglaston Development
Downtown Seattle	P	470	2022	5th and Lenora	2025 5th Ave, Seattle	Vulcan, Inc.
Downtown Seattle	P	964	2023	4th & Columbia	719 4th Ave, Seattle	Crescent Heights
Downtown Seattle	P	257	2023	No Name	1101 Western Ave, Seattle	Morgan Stanley Services Group Inc.
Eastlake	E	33	2020	Common Lake View	2227 Yale Ave E, Seattle	Marc Coluccio
Eastlake	UC	56	2021	No Name	2334 Franklin Ave E, Seattle	Build Urban
Eastlake	UC	12	2021	No Name	2617 Franklin Ave E, Seattle	Rudd Development Company Inc
Eastlake	P	103	2022	No Name	3150 Fairview Ave E, Seattle	Shilshole Development
First Hill	UC	76	2021	No Name	715 8th Ave, Seattle	Transforming Age Foundation
First Hill	UC	548	2021	Ovation Apartments	1101 8th Ave, Seattle	Lennar Multifamily Communities
First Hill	UC	104	2021	Summit Flats	1103 Summit Ave, Seattle	Johnson & Carr
First Hill	UC	486	2021	Frye Residential Towers	707 Terry Ave, Seattle	Westbank Projects Corporation
First Hill	P	226	2022	No Name	1100 Boylston Ave, Seattle	Carmel Partners
First Hill	P	365	2023	Yesler Terrace Towers - Tower I	725 Yesler Way, Seattle	Su Development
First Hill	P	272	2023	No Name	1000 E Yesler Way, Seattle	Vulcan, Inc.
First Hill	P	Unknown	2025	Yesler Terrace Towers - Tower II	725 Yesler, Seattle	Unknown
Interbay	E	93	2020	The Ivy Apartments	3008 16th Ave W, Seattle	Pastakia & Associates
Interbay	P	41	2022	No Name	2235 15th Ave W, Seattle	Charles Wathen
International District	UC	321	2021	No Name	1029 S Jackson St, Seattle	Intracorp Homes
International District	P	240	2021	12th & Jackson	1032 S Jackson St, Seattle	Chinn Investments, LLC
International District	P	161	2022	12M Apartments	1221 S Main St, Seattle	ORION Commercial Partners
International District	P	Unknown	2023	Seattle Opportunity Development Site	1005 S King St, Seattle	Unknown
Lower Queen Anne	E	107	2020	LeeAnn	701 5th Ave N, Seattle	F & M Development LLC
Lower Queen Anne	UC	73	2021	No Name	215 1st Ave N, Seattle	George Webb
Lower Queen Anne	UC	36	2021	801 1st Ave N	801 1st Ave N, Seattle	Brittni & Gary Ard
Lower Queen Anne	UC	52	2021	No Name	413 3rd Ave W, Seattle	Martin D Smith
Lower Queen Anne	UC	46	2021	Uptown Apartments	215 Queen Anne Ave N, Seattle	MRN Properties
Lower Queen Anne	UC	93	2021	Roystone Apartments	631 Queen Anne Ave N, Seattle	Vibrant Cities
Lower Queen Anne	UC	7	2021	No Name	516-522 Valley St, Seattle	Unknown
Lower Queen Anne	UC	4	2021	No Name	519 Ward St, Seattle	Unknown
Lower Queen Anne	P	95	2021	No Name	417 2nd Ave W, Seattle	Misty Yu Meng Liang
Lower Queen Anne	P	25	2021	Mercer Street Mixed Use	118 W Mercer St, Seattle	American Classic Homes, LLC
Lower Queen Anne	P	105	2022	Niwa	513 1st Ave N, Seattle	Vibrant Cities
Lower Queen Anne	P	72	2022	No Name	110 1st Ave W, Seattle	Shane Yelish
Lower Queen Anne	P	95	2022	No Name	412 2nd Ave W, Seattle	Guo Bin Lu
Lower Queen Anne	P	24	2022	Aloha Apartments	606 Aloha St, Seattle	Thomas Yip
Lower Queen Anne	P	114	2022	No Name	412 Queen Anne Ave N, Seattle	Continental Properties LLC
Lower Queen Anne	P	173	2022	No Name	100 Roy St, Seattle	Continental Properties LLC
Lower Queen Anne	P	65	2022	400 Roy Apartments	400 Roy St, Seattle	Unknown
Lower Queen Anne	P	248	2023	601 Nuovo Studios	601 Aurora Ave N, Seattle	American NW Regional Center
Madison Park	P	12	2022	Madison Lakeview	2043 43rd Ave E, Seattle	Tom Forbes
Pike Place Market	P	209	2021	No Name	1931 2nd Ave, Seattle	Pacific Eagle (US) Real Estate Fund
Pioneer Square	UC	80	2021	The Canton Lofts	224 S Washington St, Seattle	Spectrum Development Solutions
Queen Anne	UC	50	2022	Coda At Queen Anne	2258 15th Ave W, Seattle	Jay Pathy
Queen Anne	P	63	2021	No Name	609-621 W Nickerson St, Seattle	STS Construction Services
Queen Anne	P	43	2022	No Name	2120 1st Ave N, Seattle	Brian Regan

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Source: Costar as of January 21, 2021

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Development List **Area: King County-Central King County**

Neighborhood	Status	Units	Opens (Yr.)	Project Name	Address	Owner/Developer
Queen Anne	P	28	2022	Queen Anne Exchange	1529 4th Ave W, Seattle	FAUL
Queen Anne	P	87	2022	No Name	6-10 Dravus St, Seattle	Lee White
Queen Anne	P	250	2022	No Name	2100 Queen Anne Ave N, Seattle	The Wolff Company
South Lake Union	E	75	2020	Clark Apartments	408 Aurora Ave N, Seattle	Trent Development
South Lake Union	UC	1,128	2021	Onni South Lake Union	1120 Denny Way, Seattle	Onni Group
South Lake Union	UC	1,200	2021	Onni South Lake Union - Phase II	1120-1122 John St, Seattle	Onni Group
South Lake Union	UC	374	2021	No Name	200 8th Ave N, Seattle	Greystar
South Lake Union	UC	113	2021	Shore Smith	1170 Republican St, Seattle	Plus Investment USA
South Lake Union	P	87	2022	Block 56 NE	433 8th Ave N, Seattle	Vulcan, Inc.
South Lake Union	P	470	2022	No Name	110 9th Ave N, Seattle	Vulcan, Inc.
South Lake Union	P	244	2022	Wilshire Capital Mixed-Use Project	427 9th Ave N, Seattle	Modern Land Holdings Llc
South Lake Union	P	433	2022	No Name	121 Boren Ave N, Seattle	Unknown
South Lake Union	P	161	2022	No Name	701 Valley St, Seattle	Tarragon
South Lake Union	P	230	2022	No Name	971 Valley St, Seattle	Vulcan, Inc.
South Lake Union	P	340	2023	No Name	222 Dexter Ave N, Seattle	Gemdale USA Corporation
South Lake Union	P	430	2023	1001 John Street Building	1001 John St, Seattle	Mack Real Estate Development LLC
South Lake Union	P	400	2023	No Name	1370 Stewart St, Seattle	Arbutus Properties
South Lake Union	P	230	2023	No Name	223 Taylor Ave N, Seattle	David Wright
South Seattle	UC	74	2021	Jackson Street Apartments	2524 S Jackson St, Seattle	DEP Homes
South Seattle	UC	136	2021	No Name	2305 S Plum St, Seattle	Calhoun Property Management, Inc
South Seattle	UC	139	2022	No Name	2000 23rd Ave S, Seattle	Calhoun Property Management, Inc
South Seattle	P	11	2021	No Name	800 23rd Ave S, Seattle	Unknown
South Seattle	P	17	2021	Leschi Station	1301 31st Ave S, Seattle	Acer Development LLC
South Seattle	P	30	2021	No Name	4354 S Henderson St, Seattle	Ted Hamed Saedi
South Seattle	P	30	2021	No Name	1626 S King St, Seattle	BUILD, LLC
South Seattle	P	80	2021	No Name	7350 Martin Luther King Jr Way S, Seattle	American Dream Home Group, LLC
South Seattle	P	57	2021	No Name	4920 S Thistle St, Seattle	Robin Loudon
South Seattle	P	38	2022	No Name	1900 23rd Ave, Seattle	Haile Yitref
South Seattle	P	66	2022	No Name	2029 24th Ave S, Seattle	Carl Raymond Haglund
South Seattle	P	51	2022	37th Apartments	4221 37th Ave S, Seattle	Jabooda Homes, Inc
South Seattle	P	13	2022	No Name	1613 S Lane St, Seattle	Yuan Zhang
South Seattle	P	85	2022	No Name	2800 Martin Luther King Jr Way S, Seattle	Mount Baker Housing Association
South Seattle	P	211	2022	W39 Apartments	6901 Martin Luther King Jr Way S, Seattle	Zhen Luan
South Seattle	P	28	2022	No Name	7713 Rainier Ave S, Seattle	Hue Tan Le
South Seattle	P	31	2022	No Name	9280 Waters Ave S, Seattle	Gary Hall
South Seattle	P	285	2022	No Name	1601 E Yesler Way, Seattle	Shelter Holdings
West Seattle	E	5	2020	No Name	4437 41st Ave SW, Seattle	Unknown
West Seattle	E	62	2020	Junction Landing	4417-4423 42nd Ave SW, Seattle	Kevin Krout
West Seattle	E	4	2020	No Name	1606 California Ave, Seattle	Unknown
West Seattle	E	108	2020	Luna	2745 California Ave SW, Seattle	Madison Development Group
West Seattle	E	4	2020	No Name	5448-5456 Delridge Way SW, Seattle	Unknown
West Seattle	UC	32	2021	The Edric	9021 17th Ave SW, Seattle	Unknown
West Seattle	UC	28	2021	The Livingstone	9049 20th Ave SW, Seattle	STS Construction Services
West Seattle	UC	14	2021	No Name	3050 SW Avalon Way, Seattle	Paul Labellarte
West Seattle	UC	15	2021	No Name	7005 California Ave SW, Seattle	DL Builders, LLC
West Seattle	P	26	2021	No Name	9037 35th Ave SW, Seattle	Quang & Jewel Vong
West Seattle	P	27	2021	No Name	4826 40th Ave SW, Seattle	Petr Kislyak
West Seattle	P	22	2021	No Name	4807 41st Ave SW, Seattle	Jeff Walker
West Seattle	P	71	2021	No Name	3039 SW Avalon Way, Seattle	Unknown
West Seattle	P	35	2021	No Name	3084 SW Avalon Way, Seattle	Five Star Electric LLC

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Source: Costar as of January 21, 2021

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Development List				Area: King County-Central King County		
Neighborhood	Status	Units	Opens (Yr.)	Project Name	Address	Owner/Developer
West Seattle	P	48	2021	Admiral Station	2715 California Ave SW, Seattle	Omni Construction
West Seattle	P	75	2021	No Name	4508 California Ave SW, Seattle	Capelouto Development Co
West Seattle	P	82	2021	No Name	4747 California Ave SW, Seattle	HB Management
West Seattle	P	32	2021	No Name	8854 Delridge Way SW, Seattle	Etery Nagapetyan
West Seattle	P	125	2022	No Name	7617 35th Ave SW, Seattle	Ilia Kertsman
West Seattle	P	72	2022	No Name	4401 42nd Ave SW, Seattle	Unknown
West Seattle	P	14	2022	No Name	5242 California Ave SW, Seattle	Christian Brodin
West Seattle	P	41	2022	No Name	5952 California Ave SW, Seattle	Cobb Construction Inc
West Seattle	P	36	2022	Coombes California	6016 California Ave SW, Seattle	Coombes Development
West Seattle	P	5	2022	No Name	2622 SW Nevada St, Seattle	Unknown
West Seattle	P	67	2023	No Name	4800 40th Ave SW, Seattle	Braseth Construction
West Seattle	P	56	2023	No Name	9201 Deldridge Way SW, Seattle	Unknown
Westlake	E	80	2020	Stream Dexios	1600 Dexter Ave N, Seattle	Stream Real Estate Development & Investment
Westlake	P	59	2021	No Name	1601 Dexter Ave N, Seattle	Pottery Land, LLC
Westlake	P	34	2022	No Name	1402 Aurora Ave N, Seattle	Giang Vo
Westlake	P	176	2022	Dexter North	1115 Dexter Ave N, Seattle	Capstone Partners
Westlake	P	167	2022	No Name	1405 Dexter Ave N, Seattle	Intracorp Homes

Status: E = Existing Apt.; UC = Under Construction; P = Proposed, FP = Future Project

Source: Costar as of January 21, 2021

Supply Summary - Submarket

Market conditions in the Central King submarket have softened from the strong market conditions recorded pre-COVID. Select neighborhoods within the submarket may support new development. Given the oversupply of new product and the negative impacts on the economy from COVID-19 it is forecasted that some proposed projects will continue on their time frame for development while other developers will delay (put on hold) their development until market conditions improve.

Demand - Submarket

In this analysis, demand is measured from the following indicators: (1) vacancy rates; (2) rental incentives; (3) rent trends; and (4) new construction absorption rates. These items, as presented in the most recent RealPage, Inc. *Apartment Report*, are addressed below.

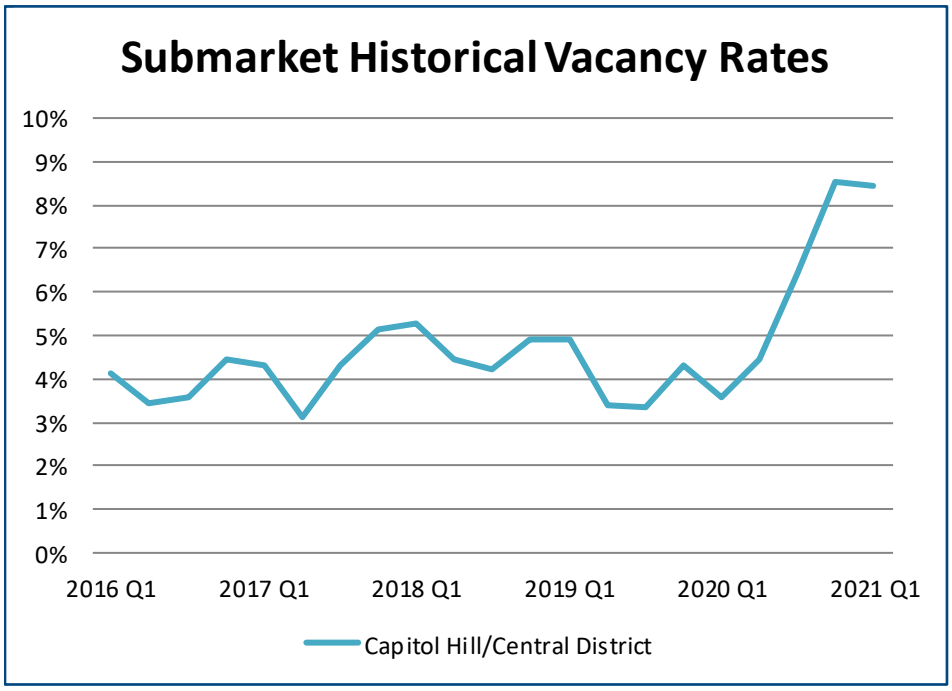
Vacancy - Submarket

The most recent RealPage, Inc. report for market rate properties in the Capitol Hill/Central District submarket indicated a **8.5%** vacancy. Vacancy rates among the projects surveyed by Colliers International Valuation and Advisory Services are reported was **5.3%**. At the time of inspection, the subject is proposed. The vacancy rate used in this report is derived from the selected comparables and considered a reliable indicator of vacancy rates for the subject.

VACANCY SURVEY AS OF MAY 2021			
PROJECT	UNITS	VACANT UNITS	VACANCY
Legacy at Pratt Park	244	7	2.9%
Bell Jackson St. (FKA - Modera Jackson)	160	8	5.0%
Verse Seattle	90	4	4.4%
Cypress	237	12	5.1%
Batik Apartments	195	18	9.2%
TOTAL/AVERAGE	926	49	**5.3%**

Source: Colliers International Valuation & Advisory Services

RealPage, Inc. *The Apartment Report* vacancy rates in the subject's submarket are presented in the following chart.



The table below provides historical vacancy rates for all the submarkets in the Central King County market.

Historical Vacancy					
Quarter	Capitol Hill / Central District	Downtown Seattle	South Lake Union / Queen Anne	West Seattle / South Seattle	Seattle-Bellevue-Everett, WA
2016 Q1	4.2%	5.2%	4.7%	5.3%	**4.4%**
2016 Q2	3.5%	5.0%	4.2%	3.2%	**3.9%**
2016 Q3	3.6%	4.9%	4.4%	3.4%	**4.3%**
2016 Q4	4.5%	6.1%	5.6%	5.1%	**4.9%**
2017 Q1	4.3%	4.6%	3.8%	6.2%	**4.6%**
2017 Q2	3.1%	4.2%	3.5%	5.0%	**4.1%**
2017 Q3	4.3%	5.2%	4.8%	4.2%	**4.7%**
2017 Q4	5.1%	7.0%	6.3%	5.9%	**5.5%**
2018 Q1	5.3%	6.7%	6.8%	5.9%	**5.1%**
2018 Q2	4.5%	5.4%	5.5%	4.8%	**4.4%**
2018 Q3	4.2%	4.9%	4.5%	4.8%	**4.2%**
2018 Q4	4.9%	6.3%	5.3%	5.4%	**4.9%**
2019 Q1	4.9%	5.8%	4.8%	5.1%	**4.7%**
2019 Q2	3.4%	4.7%	3.9%	4.7%	**3.9%**
2019 Q3	3.4%	4.1%	3.6%	4.8%	**3.8%**
2019 Q4	4.3%	5.3%	4.6%	5.7%	**4.4%**
2020 Q1	3.6%	4.3%	3.8%	4.5%	**4.0%**
2020 Q2	4.5%	5.8%	5.1%	5.4%	**4.6%**
2020 Q3	6.4%	8.0%	7.4%	7.1%	**5.2%**
2020 Q4	8.5%	9.6%	9.9%	7.7%	**5.9%**
2021 Q1	8.5%	8.4%	9.1%	8.3%	**5.8%**
Vacancy Trend					
6 Months	**203 bps**	**41 bps**	**176 bps**	**119 bps**	**58 bps**
12 Months	**485 bps**	**407 bps**	**531 bps**	**382 bps**	**180 bps**
24 Months	**355 bps**	**259 bps**	**431 bps**	**318 bps**	**110 bps**
60 Months	**430 bps**	**317 bps**	**440 bps**	**298 bps**	**136 bps**

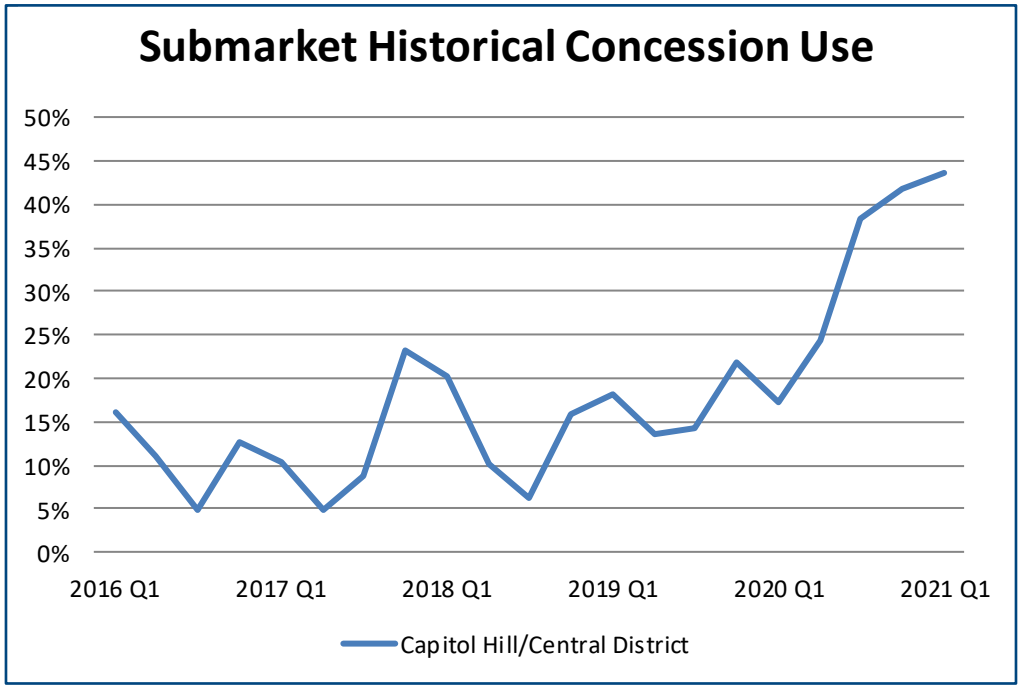
Source: The Apartment Report
by RealPage Inc., Q1 2021

Vacancy Forecast - Submarket

Vacancy in the King-Snohomish County market is forecasted to decrease to about 4.5% over the next 12 months due to the impact on the economy from the virus and the amount of new projects coming online. For the submarket of Capitol Hill/Central District, RealPage, Inc. forecasted vacancy at 4.8% over the next 12 months (Q4 2021).

Rental Incentives - Submarket

RealPage's *The Apartment Report* concession usage rates in the Central King County submarkets are presented in the following table. The data represent the percentages of properties in the market that are offering some form of concession, not the percentage of the rent amount.



The table below provides historical concession usages for all the submarkets in the Central King County market.

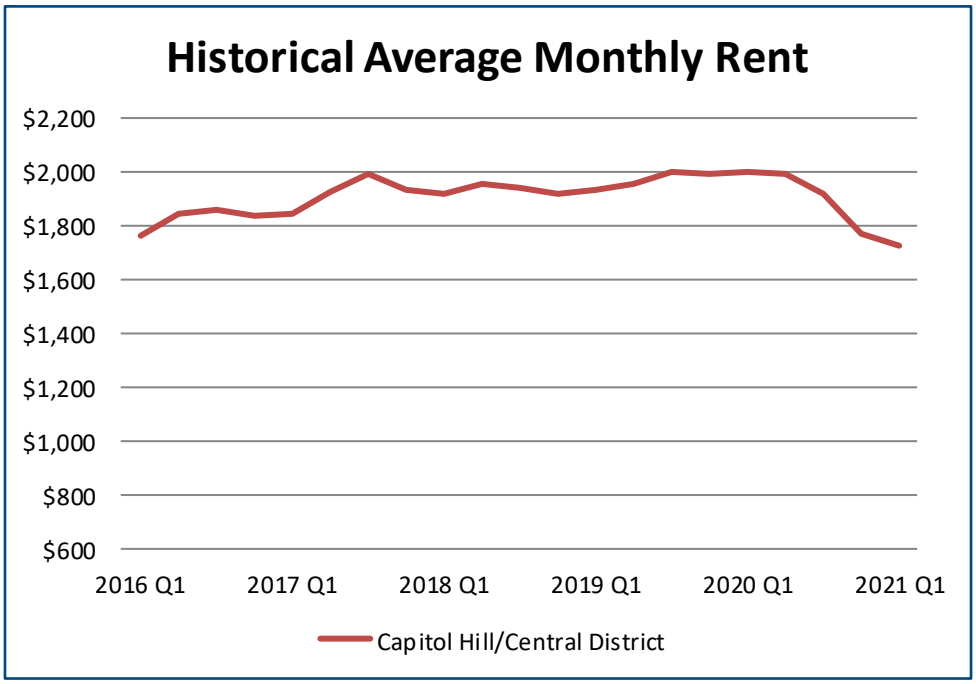
Historical Concession Use (Percent of Units Offering Concessions)					
Quarter	Capitol Hill / Central District	Downtown Seattle	South Lake Union / Queen Anne	West Seattle / South Seattle	Seattle-Bellevue-Everett, WA
2016 Q1	16.1%	15.2%	7.1%	14.6%	**7.3%**
2016 Q2	11.0%	6.2%	5.6%	5.1%	**5.7%**
2016 Q3	4.8%	5.3%	7.1%	4.3%	**8.0%**
2016 Q4	12.7%	20.7%	21.4%	23.0%	**12.5%**
2017 Q1	10.4%	7.7%	7.2%	18.3%	**10.8%**
2017 Q2	4.8%	6.7%	5.3%	10.7%	**6.0%**
2017 Q3	8.8%	2.9%	18.0%	4.4%	**6.7%**
2017 Q4	23.2%	28.1%	30.2%	23.9%	**16.8%**
2018 Q1	20.3%	15.0%	26.1%	13.8%	**12.0%**
2018 Q2	10.1%	13.2%	21.5%	5.7%	**6.8%**
2018 Q3	6.2%	20.4%	18.2%	18.8%	**9.2%**
2018 Q4	16.0%	27.1%	29.4%	20.2%	**16.2%**
2019 Q1	18.2%	29.6%	26.3%	18.8%	**14.5%**
2019 Q2	13.5%	19.1%	17.6%	20.9%	**9.6%**
2019 Q3	14.3%	16.9%	21.5%	21.8%	**14.4%**
2019 Q4	21.8%	25.2%	28.2%	25.5%	**19.9%**
2020 Q1	17.2%	21.2%	19.7%	17.6%	**15.3%**
2020 Q2	24.3%	37.3%	34.2%	20.3%	**27.4%**
2020 Q3	38.4%	49.5%	45.7%	41.2%	**34.1%**
2020 Q4	41.7%	45.2%	44.2%	47.6%	**35.1%**
2021 Q1	43.6%	42.8%	42.8%	44.9%	**34.2%**

Source: The Apartment Report by RealPage Inc., Q1 2021

Over the short-term, concession use is expected to rise over the next twelve months in the market area. **On a long-term stabilized basis, concession use in the Capitol Hill/Central District submarket is expected to rise.**

Rent Trends - Submarket

Over the past 12 months, apartment demand has generally met supply leading to leveling of rental rates in both the subject's broader market area and submarket. The chart and tables below summarize the most recent rent trends in Capitol Hill/Central District area as reported in *The Apartment Vacancy Report*.



Historical Rental Rates

Quarter	Capitol Hill / Central District	Downtown Seattle	South Lake Union / Queen Anne	West Seattle / South Seattle	Seattle-Bellevue-Everett, WA
2016 Q1	$1,763	$2,068	$1,996	$1,647	**$1,556**
2016 Q2	$1,841	$2,194	$2,065	$1,672	**$1,635**
2016 Q3	$1,860	$2,182	$2,084	$1,757	**$1,662**
2016 Q4	$1,836	$2,167	$2,018	$1,714	**$1,638**
2017 Q1	$1,844	$2,266	$2,123	$1,739	**$1,671**
2017 Q2	$1,929	$2,419	$2,244	$1,819	**$1,763**
2017 Q3	$1,993	$2,392	$2,257	$1,834	**$1,770**
2017 Q4	$1,932	$2,281	$2,122	$1,800	**$1,722**
2018 Q1	$1,916	$2,251	$2,133	$1,801	**$1,731**
2018 Q2	$1,955	$2,355	$2,177	$1,830	**$1,794**
2018 Q3	$1,939	$2,395	$2,183	$1,847	**$1,816**
2018 Q4	$1,916	$2,338	$2,140	$1,821	**$1,788**
2019 Q1	$1,936	$2,342	$2,147	$1,825	**$1,798**
2019 Q2	$1,952	$2,415	$2,202	$1,876	**$1,854**
2019 Q3	$1,999	$2,604	$2,263	$1,907	**$1,896**
2019 Q4	$1,991	$2,644	$2,365	$1,892	**$1,897**
2020 Q1	$2,001	$2,687	$2,426	$1,930	**$1,938**
2020 Q2	$1,995	$2,660	$2,417	$1,922	**$1,918**
2020 Q3	$1,921	$2,516	$2,328	$1,829	**$1,877**
2020 Q4	$1,773	$2,280	$2,162	$1,713	**$1,803**
2021 Q1	$1,726	$2,266	$2,107	$1,696	**$1,789**
Rent Trend					
6 Months	**-10.2%**	**-9.9%**	**-9.5%**	**-7.3%**	**-4.7%**
12 Months	**-13.7%**	**-15.7%**	**-13.1%**	**-12.1%**	**-7.7%**
24 Months	**-10.8%**	**-3.2%**	**-1.9%**	**-7.1%**	**-0.5%**
Annual Avg.	**-5.4%**	**-1.6%**	**-0.9%**	**-3.5%**	**-0.3%**
60 Months	**-2.1%**	**9.6%**	**5.6%**	**3.0%**	**15.0%**
Annual Avg.	**-0.4%**	**1.9%**	**1.1%**	**0.6%**	**3.0%**

Source: The Apartment Report by RealPage Inc., Q1 2021

Over the past five years, average rents in Capitol Hill/Central District have fluctuated with the general economy.

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Forecasted Rental Rates - Submarket

Rents in the King-Snohomish County market are forecasted to decrease by -4.8% over the next 12 months due to the impacts on the economy from the pandemic and the amount of new projects coming online. In the submarket of Capitol Hill/Central District, RealPage, Inc. rental rates are forecasted to decrease by -7.1% over the next 12 months (Q4 2021).

Overall Trends - Submarket

The following table shows the average Central King County Trends.

Market Trends

	Vacancy Rates		Concessions		Average Rent	
Market	2021 Q1	5-Yr. Annual Average	2021 Q1	5-Yr. Annual Average	2021 Q1	5-Yr. Annual Average
Capitol Hill/Central District	8.5%	4.7%	43.6%	18.0%	$1,726	$1,906
Downtown Seattle	8.4%	5.8%	42.8%	21.7%	$2,266	$2,368
South Lake Union/Queen Anne	9.1%	5.3%	42.8%	22.7%	$2,107	$2,189
West Seattle/South Seattle	8.3%	5.4%	44.9%	20.1%	$1,696	$1,803
Seattle-Bellevue-Everett, WA	**5.8%**	**4.6%**	**34.2%**	**15.4%**	**$1,789**	**$1,777**

Source: The Apartment Report by RealPage Inc., Q1 2021

Recent Absorption Data

The following table summarizes absorption rates at recently completed properties that are either stabilized or are in lease-up in the Puget Sound market area. The projects indicate absorption rates ranging from 3.2 to 30.0 units per month, leading to an overall average of 11.6 units per month. Absorption rates do vary among projects but typically smaller projects, on average, will command a lower absorption rate compared to larger projects.

Since the “Stay at Home” order, absorption has generally increased but remain on average below pre-COVID levels. During the order from mid-March to early May 2020, onsite leasing personal reported a sharp decreased by 60% to 85% in leasing units from what they were averaging before March. However, since mid-2020 absorption has generally increased.

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SELECTED MULTIFAMILY PROJECTS
SEATTLE-BREMERTON-TACOMA CMSA

Project Name	Neighborhood	Lease Start	Total Units	Average Absorption Rate
Helm PH 1	South Lake Union/Queen Anne	Jun-19	79	6.9
The Napoleon	North Tacoma	Jun-19	135	9.2
Adell	West Seattle/South Seattle	Jun-19	76	13.2
Trailside at the Lodge	Everett	Jun-19	200	24.5
Muir	Capitol Hill/Central District	Jun-19	130	27.7
Avalon North Creek	Kirkland/Bothell	Jun-19	316	33.8
Woodin Creek Village II	Kirkland/Bothell	Jul-19	236	9.6
Wellstone at Bridgeport	Southwest Pierce County	Jul-19	208	12.6
Ethos I	Kent/Auburn	Jul-19	168	17.0
The Huxley	West Seattle/South Seattle	Jul-19	122	26.0
Valdok II	University District/Ballard	Jul-19	164	28.1
The Bond at Marymoor Park	Redmond	Aug-19	139	6.7
The Main Apartments + Lofts	East Pierce County	Aug-19	108	14.2
Tellus on Dexter	South Lake Union/Queen Anne	Aug-19	98	14.3
Glacier Run I	East Pierce County	Aug-19	240	19.0
Main Street Flats II	West Bellevue/Mercer Island	Aug-19	165	21.2
Parkside	Redmond	Sep-19	664	14.6
Mera	South Lake Union/Queen Anne	Sep-19	70	15.0
Alexan 100	South Lake Union/Queen Anne	Nov-19	164	9.4
Blackbird	Redmond	Jan-20	157	16.5
The Talisman	Redmond	Jan-20	286	16.5
Brewery Lofts	North Tacoma	Feb-20	44	4.9
Aura Totem Lake	Kirkland/Bothell	Feb-20	202	16.2
Modera Redmond	Redmond	Feb-20	300	18.3
The LeeAnn	South Lake Union/Queen Anne	Mar-20	107	7.6
Inspire	University District/Ballard	Mar-20	42	9.0
Luna PH 1	West Seattle/South Seattle	Mar-20	108	12.9
BLU	West Bellevue/Mercer Island	Apr-20	135	10.0
Uptown at Kirkland Urban I	Kirkland/Bothell	Apr-20	185	14.6
Edge	Redmond	Apr-20	104	30.0
Clark	South Lake Union/Queen Anne	Jun-20	75	12.8
Jackson	Capitol Hill/Central District	Jun-20	532	27.1
Vitality on 17th	University District/Ballard	Jul-20	57	3.2
Geo	North Seattle/Shoreline	Jul-20	167	17.9
Brio	West Bellevue/Mercer Island	Jul-20	259	20.9
Solis	Capitol Hill/Central District	Aug-20	45	6.6
The Postmark	North Seattle/Shoreline	Aug-20	243	20.6
888 Bellevue	West Bellevue/Mercer Island	Aug-20	158	27.5
Helm PH 2	Everett	Sep-20	192	14.5
Jackson Street	Capitol Hill/Central District	Sep-20	75	15.0
Midtown 64	Kent/Auburn	Sep-20	365	18.5
207 East	East Pierce County	Sep-20	288	26.5
The CC	Capitol Hill/Central District	Oct-20	49	15.7
Point Ruston Village on Main	North Tacoma	Oct-20	200	17.0
Atlas 236	Lynnwood/Edmonds/Mukilteo	Nov-20	146	19.9
The Bower	Kirkland/Bothell	Feb-21	339	12.0
	Total/Average (Unit Count <100)		710	7.6
	Total/Average (Unit Count 101 to 250)		4,283	13.1
	Total/Average (Unit Count >250)		3,349	14.6

Source: The Apartment Report by RealPage Inc., Q1 2021
Date: Q1 2021

Demand Summary - Submarket

In the Central King sub-market, vacancy has increased above 5.0% with most market recording overall vacancy between 8.3% and 9.1%. Rental rates have decreased sharply between 12% to 16% over the past 12 months given that supply is outpacing demand in the market through Q1 2021. The impact on this submarket is due to

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the oversupply of new product entering the market and the impact on the economy (higher unemployment) from the COVID-19 pandemic. New units are entering the market over the next 12 months and demand is expected to be low due to the pandemic. Once the pandemic subsides it is anticipated that the unemployment will start to decrease and the apartment market will start to improve.

Competitive Position - Submarket

The following factors also contribute to the subject's overall competitive position:

- The subject is located in the Central District of Central Seattle, a neighborhood that has experienced increasing demand through lower vacancy, increasing rental rates and some new apartment development through Q1 2020. However, the subject's market area has been impacted by the pandemic with increased vacancy, decreased rent, and increased concession use.
- The subject is easily accessed from major arterials with direct access to public transportation, freeways and major employers. The subject also enjoys good access to Interstate 5, Interstate 90, and downtown Seattle.
- Exposure is good.
- The subject's site overall competitive position is good compared to other multi-family land site in the market.

EXPOSURE TIME & MARKETING PERIOD

Exposure time is defined as "The estimated length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal; a retrospective opinion based on an analysis of past events assuming a competitive and open market" (The Dictionary of Real Estate Appraisal, Appraisal Institute, 2015). Reasonable exposure time is impacted by the aggressiveness and effectiveness of a property's exposure to market participants, availability and cost of financing, and demand for similar investments. Exposure time is best established based the recent history of marketing periods for comparable sales, discussions with market participants and information from published surveys.

The following information was taken into consideration to develop estimates of exposure time and marketing period for the subject property:

EXPOSURE TIME & MARKETING PERIOD

SOURCE	QUARTER	RANGE			AVG
PriceWaterhouse Coopers					
National Apartment Market	1Q 21	1.0	to	12.0	5.3
Pacific Region Apartment	1Q 21	1.0	to	9.0	3.9
Market Participant	1Q 15	0.0	to	0.0	0.0
Comparable Sales Dataset			to		
AVERAGE		**0.7**	**to**	**7.0**	**3.1**

The availability of acquisition financing does factor into exposure time. In recent quarters, financing has been available for well-positioned commercial real estate, particularly for stabilized assets within core MSAs and owner/user deals. For second tier or marginal properties, financing has been available but subject to more stringent requirements. Based on review of the local capital market, adequate financing options would have been available to consummate a sale of the property on the date of value.

Exposure Time Conclusion

The preceding information generally supports an exposure time range from 0 - 6 months for sites similar to the subject. The subject's location within the South Seattle neighborhood and large site size places downward pressure on the subject's likely exposure time, however the COVID-19 pandemic has not yet been controlled in

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the United States and may lengthen exposure time for undeveloped properties. Based on its overall physical and locational characteristics, the subject site has average overall appeal to developers and/or owner/users. Considering these factors, a reasonable estimate of exposure time for the subject property is six months or less.

Marketing Period Conclusion

Marketing period is very similar to exposure time, but reflects a projected time period to sell the property, rather than a retrospective estimate. Having reviewed open listings and discussed the market with local participants, and given the nature of this site, we feel that a time period of six months or less is supported for the subject's marketing period.

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INTRODUCTION

The highest and best use of an improved property is defined as that reasonable and most probable use that will support its highest present value. The highest and best use, or most probable use, must be legally permissible, physically possible, financially feasible, and maximally productive. This section develops the highest and best use of the subject property As-Vacant and As-Improved.

AS-VACANT ANALYSIS

Legal Factors

The legal factors that possibly influence the highest and best use of the subject site are discussed in this section. Private restrictions, zoning, building codes, historic district controls, and environmental regulations are considered, if applicable to the subject site. Permitted uses of the subject's Neighborhood Commercial (NC1-55(M)) zoning were listed in the Zoning Analysis section. This zoning permits residential developments. The potential use that meets the requirements of the legal permissibility test is residential development.

Physical & Locational Factors

Regarding physical characteristics, the subject site is square in shape and has sloping topography with good access and good exposure. The subject is surrounded by residential, special and commercial uses. Given the subject's location and surrounding uses, the subject site is desirable for multifamily residential development. Of the outright permitted uses, physical and locational features best support development of a residential property as market conditions warrant for the site's highest and best use as-vacant.

Feasibility Factors

The financial feasibility of those uses that meet the legal and physical tests discussed is analyzed further in this section. Supply and demand conditions affect the financial feasibility of possible uses. Indicators of feasibility, which typically indicate favorable or non-favorable supply and demand conditions, include construction financing and proposed projects. Financial feasibility factors generally support near-term development of the subject site.

As-Vacant Conclusion

Based on the previous discussion, the subject's highest and best use as-vacant is concluded to be development of a residential property as market conditions warrant.

AS-VACANT ANALYSIS

Based on the previous discussion, the subject's highest and best use as vacant is concluded to be residential (multifamily) development.

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INTRODUCTION

Land value is influenced by a number of factors; most prominent of which is development and use potential. These factors, as well as others, are considered in the following analysis.

UNIT OF COMPARISON

The most relevant unit of comparison is the price per square foot. This indicator best reflects the analysis used by buyers and sellers in this market for land with similar utility and zoning in this marketplace.

COMPARABLE SELECTION

A thorough search was made for similar land sales in terms of proximity to the subject, size, location, development potential, and date of sale. In selecting comparables, emphasis was placed on confirming recent sales of commercial sites that are similar to the subject property in terms of location and physical characteristics. Overall, the sales selected represent the best comparables available for this analysis.

ADJUSTMENT PROCESS

Quantitative adjustments are made to the comparable sales. The following adjustments or general market trends were considered for the basis of valuation.

Transactional Adjustments

Dollar adjustments to the comparable sales were considered and made when warranted for transactional adjustments in the sequence shown below:

Property Rights Transferred	The valuation of the subject site was completed on a fee simple basis. If warranted, leased fee, leasehold and/or partial interest land sales were adjusted accordingly.
Financing Terms	The subject site was valued on a cash equivalent basis. Adjustments were made to the comparables involving financing terms atypical of the marketplace.
Conditions of Sale	This adjustment accounts for extraordinary motivation on the part of the buyer or seller often associated with distressed sales and/or assemblages.
Expenditures After Purchase	Adjustments were applied if site conditions warranted expenditures on the part of the buyer to create a buildable site. Examples include costs for razing pre-existing structures, general site clearing and/or mitigation of environmental issues.
Market Conditions	Market conditions adjustments are based on a review of historical sale data, market participant interviews and review of current versus historical pricing. The comparable set consists of five land sales and all have closed since May 2019. As of May 2021, land sites that sold in year 2020 have seen values stabilized and sites that sold before 2020 have seen values increase due to high demand in multifamily land up until the start of the pandemic. The market condition adjustments are summarized for each sale in the adjustment analysis section. This adjustment also takes into account the market conditions during the pandemic.

Property Adjustments

Quantitative percentage adjustments are also made for location and physical characteristics such as size, shape, access, exposure, topography, zoning and overall utility. Where possible the adjustments applied are based on paired data or other statistical analysis. For example, location adjustments are based primarily on review of land

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values in the market areas for the comparables relative to the subject. It should be stressed that the adjustments are subjective in nature and are meant to illustrate my logic in deriving a value opinion for the subject site.

PRESENTATION

The following Land Sales Summation Table, Location Map and datasheets summarize the sales data used in this analysis. Following these items, the comparable land sales are adjusted for applicable elements of comparison and the opinion of site value is concluded.

LAND SALES SUMMATION TABLE

COMPARABLE	SUBJECT	COMPARABLE 1	COMPARABLE 2	COMPARABLE 3	COMPARABLE 4
Name	Keiro Northwest Land	Fremont Bridge Redevelopment Site	12th Ave Land	NC2-55 Land	Liberty Motors Site
Address	1601 E. Yesler Way	319 Nickerson St	104 to 124 12th Ave	6531 35th Ave SW	2310 Rainier Ave S
City	Seattle	Seattle	Seattle	Seattle	Seattle
State	WA	WA	WA	WA	WA
Zip	98122	98109	98122	98126	98144
County	King	King	King	King	King
PHYSICAL INFORMATION					
SF	61,448	24,394	47,433	6,098	10,498
Location	Good	Good/Excellent	Good/Excellent	Average	Average
Exposure	Good	Good	Good	Average	Averge
Access	Good	Average	Good	Average/Good	Average/Good
Shape	Square	Other	Irregular	Rectangular	Generally
Zoning	NC1-55(M)	C2-55 (M)	NC3-75 (M)	NC2-55	NC3-75
Corner	Yes	No	Yes	No	No
Topography	Sloping	Slight slope	Level	Level	Level
SALE INFORMATION					
Date		4/24/2020	4/24/2020	2/4/2020	3/17/2019
Status		Recorded	Recorded	Recorded	Recorded
Rights Transferred		Fee Simple	Fee Simple	Fee Simple	Fee Simple
Transaction Price		$4,750,000	$20,000,000	$800,000	$2,300,000
Analysis Price		$5,150,000	$20,200,000	$810,000	$2,300,000
$/SF Land		$211.12	$425.86	$132.83	$219.09

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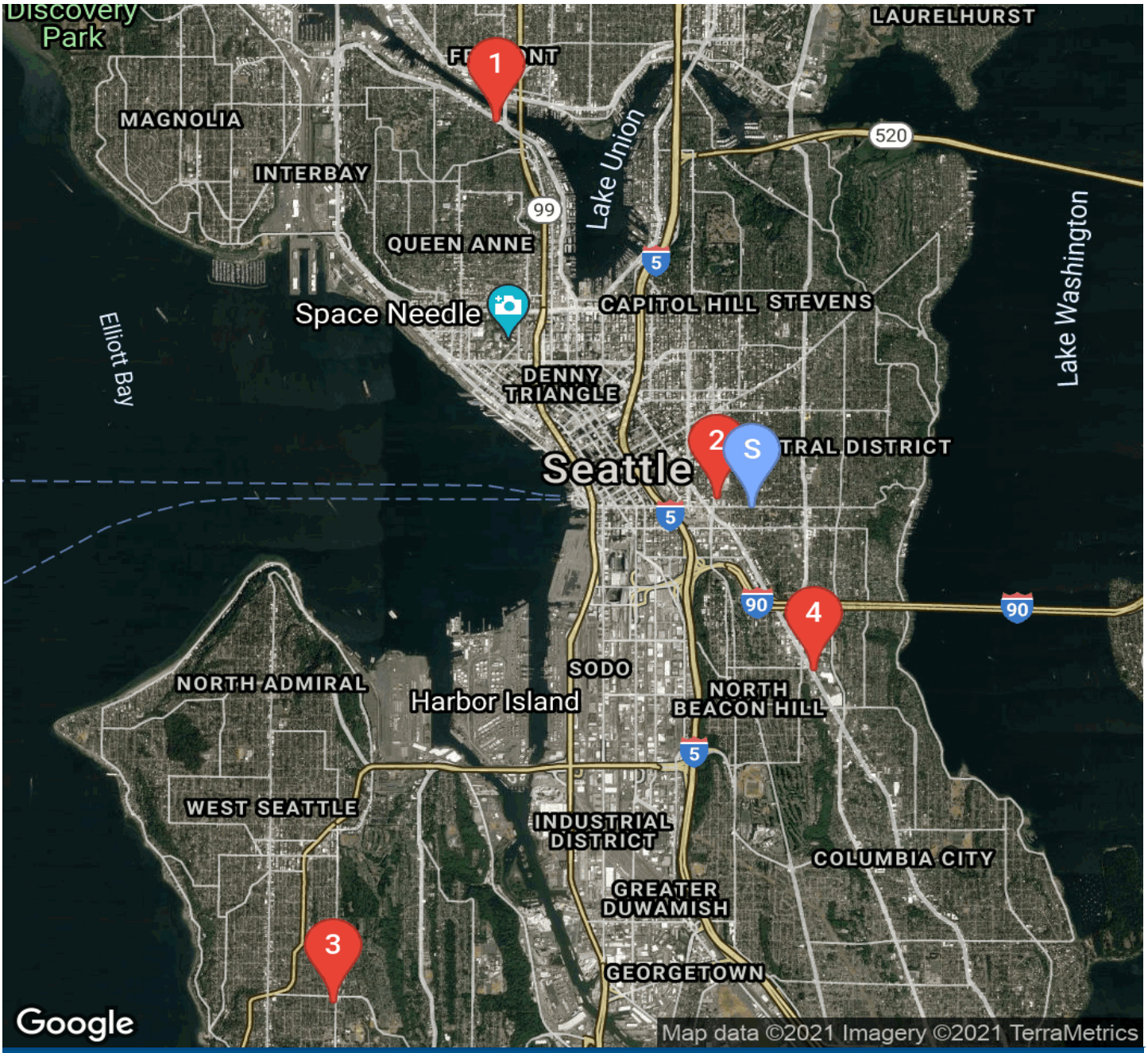
LAND SALES LOCATION MAP



COMPARABLE KEY

COMP	DISTANCE	ADDRESS	SALE DATE	ACRES	SF	$/SF
SUBJECT	-	1601 E. Yesler Way, Seattle, WA	-	1.41	61,448	-
No. 1	3.6 Miles	319 Nickerson St, Seattle, WA	4/24/2020	0.56	24,394	$211.12
No. 2	0.3 Miles	104 to 124 12th Ave, Seattle, WA	4/24/2020	1.09	47,433	$425.86
No. 3	5.0 Miles	6531 35th Ave SW, Seattle, WA	2/4/2020	0.14	6,098	$132.83
No. 4	1.4 Miles	2310 Rainier Ave S, Seattle, WA	3/17/2019	0.24	10,498	$219.09

COMPARABLE 1

LOCATION INFORMATION

Name	Fremont Bridge Redevelopment Site
Address	319 Nickerson St
City, State, Zip Code	Seattle, WA, 98109
County	King
MSA	Seattle-Bellevue-Everett, WA MD
APN	5244800055

SALE INFORMATION

Buyer	Cottonwood Creek Ranch LLC
Seller	R A Hanson Family Holdings LLC
Transaction Date	04/24/2020
Transaction Status	Recorded
Transaction Price	$4,750,000
Analysis Price	$5,150,000
Recording Number	202004241174
Rights Transferred	Fee Simple
Financing	All Cash
Conditions of Sale	Arms-Length
Marketing Time	6 Months

PHYSICAL INFORMATION

Intended Use	Redevelopment	
Frontage	Average	
Site Size	Acres	SF
Net	0.56	24,394
Gross	0.56	24,394
Zoning	C2-55 (M)	
Shape	Other	
Topography	Slight slope	
Easements	Standard	

FREMONT BRIDGE REDEVELOPMENT SITE

ANALYSIS INFORMATION

Price	$/Acre	$/SF
Gross	$9,196,429	$211.12
Net	$9,196,429	$211.12

CONFIRMATION

Name	Ray Poletti	
Company	Ballard Realty, Inc.	
Source	Seller's Broker	
Date / Phone Number	07/28/2020	-

REMARKS

The buyer is a developer that planned on building a mixed-use multifamily development. A portion of the site previously had a gas station and there was some environmental contamination. The estimated cost of clean up was $150,000, which was paid by the buyer (upward adjustment was made to the price). The property was initially listed at $5,950,000 and went under contract in late 2019 at a reduce price as the listing agent reported there was less than anticipated interest due to the challenges of redevelopment, which may include an alley vacation. Also, minimal value was placed on the existing improvements and therefore an upward adjustment of $250,000 for demolition is made (estimated by the appraisers). This comparable is bisected by an alley with a slope in the rear. The property is improved with a 28,309 SF concrete warehouse.

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COMPARABLE 2

LOCATION INFORMATION

Name	12th Ave Land
Address	104 to 124 12th Ave
City, State, Zip Code	Seattle, WA, 98122
County	King
MSA	Seattle-Bellevue-Everett, WA MD
APN	806100-0005, -0015, -0025, -0035

SALE INFORMATION

Buyer	13th & Yesler Owner LLC
Seller	Centric Partners LLC
Transaction Date	04/24/2020
Transaction Status	Recorded
Transaction Price	$20,000,000
Analysis Price	$20,200,000
Recording Number	202004241194
Rights Transferred	Fee Simple
Financing	Conventional
Conditions of Sale	Arms-Length

PHYSICAL INFORMATION

Frontage	Average	
Site Size	Acres	SF
Net	1.09	47,433
Gross	1.09	47,433
Zoning	NC3-75 (M)	
Development Potential	279	
Shape	Irregular	
Topography	Level	
Corner	Yes	

12TH AVE LAND

ANALYSIS INFORMATION

Price	$/Acre	$/SF	$/Unit
Gross	$18,532,110	$425.86	$72,401
Net	$18,532,110	$425.86	$72,401

CONFIRMATION

Name	Kyle Yamamoto	
Company	CBRE	
Source	Seller's Broker	
Date / Phone Number	12/28/2020	+1 206 292 6064

REMARKS

Sale of a four-parcel assemblage containing 1.09 acres. The brokers reported that the proposed development will provide 279 residential units within a seven-story building. Street level retail space will be provided. Some of the parcel were improved with buildings and the appraiser estimated demolition at $200,000, which is added to the sales price. The subject's sites may have some environmental contamination where the buyer has assumed the responsibility for clean-up.

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COMPARABLE 3

LOCATION INFORMATION

Name	NC2-55 Land
Address	6531 35th Ave SW
City, State, Zip Code	Seattle, WA, 98126
County	King
MSA	Seattle-Bellevue-Everett, WA MD
APN	006500-0035

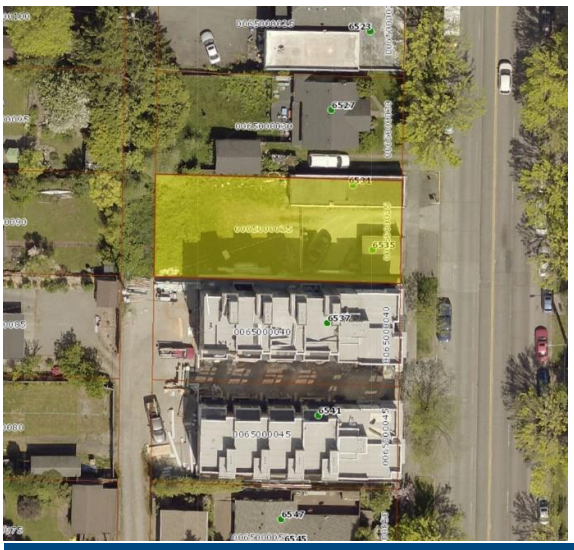
SALE INFORMATION

Buyer	Joseph Crevling
Seller	Richard Foster
Transaction Date	02/4/2020
Transaction Status	Recorded
Transaction Price	$800,000
Analysis Price	$810,000
Recording Number	202002040906
Rights Transferred	Fee Simple
Financing	Conventional
Conditions of Sale	Arms-Length

PHYSICAL INFORMATION

Frontage	Average	
Site Size	Acres	SF
Net	0.14	6,098
Gross	0.14	6,098
Zoning	NC2-55	
Shape	Rectangular	
Topography	Level	

None Noted



NC2-55 LAND

ANALYSIS INFORMATION

Price	$/Acre	$/SF
Gross	$5,785,714	$132.83
Net	$5,785,714	$132.83

CONFIRMATION

Name	Paul Poirier	
Company	Berkshire Hathaway Real Estate Services	
Source	Seller's Broker	
Date / Phone Number	05/27/2020	+1 206 915 6881

REMARKS

Sale was for land only because it was improved with a single story commercial building at time of sale. The land would be considered for redevelopment and the improvement will be demolished. An additional $10,000 is added to the land value for demolition costs.

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COMPARABLE 4

LOCATION INFORMATION

Name	Liberty Motors Site
Address	2310 Rainier Ave S
City, State, Zip Code	Seattle, WA, 98144
County	King
MSA	Seattle-Bellevue-Everett, WA MD
APN	159460-0115

SALE INFORMATION

Buyer	MJH, LLC
Seller	Peter Larsen
Transaction Date	03/17/2019
Transaction Status	Recorded
Transaction Price	$2,300,000
Analysis Price	$2,300,000
Rights Transferred	Fee Simple
Financing	Conventional
Conditions of Sale	Arms-Length

PHYSICAL INFORMATION

Frontage	Average	
Site Size	Acres	SF
Net	0.24	10,498
Gross	0.24	10,498
Zoning	NC3-75	
Shape	Generally Rectangular	
Topography	Level	

LIBERTY MOTORS SITE

ANALYSIS INFORMATION

Price	$/Acre	$/SF
Gross	$9,583,333	$219.09
Net	$9,583,333	$219.09

CONFIRMATION

Name	Confidential	
Company	Confidential	
Source	Knowledgeable Third Party	
Date / Phone Number	10/27/2020	Confidential

REMARKS

The property was improved with an older industrial building. It was purchased for redevelopment (land value).

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LAND SALES ADJUSTMENT TABLE

COMPARABLE	SUBJECT	COMPARABLE 1	COMPARABLE 2	COMPARABLE 3	COMPARABLE 4
Name	Keiro Northwest Land	Fremont Bridge Redevelopment Site	12th Ave Land	NC2-55 Land	Liberty Motors Site
Address	1601 E. Yesler Way	319 Nickerson St	104 to 124 12th Ave	6531 35th Ave SW	2310 Rainier Ave S
City	Seattle	Seattle	Seattle	Seattle	Seattle
SF	61,448	24,394	47,433	6,098	10,498
Location	Good	Good/Excellent	Good/Excellent	Average	Average
Exposure	Good	Good	Good	Average	Averge
Access	Good	Average	Good	Average/Good	Average/Good
Shape	Square	Other	Irregular	Rectangular	Generally
Zoning	NC1-55(M)	C2-55 (M)	NC3-75 (M)	NC2-55	NC3-75
Corner	Yes	No	Yes	No	No
Topography	Sloping	Slight slope	Level	Level	Level
SALE INFORMATION					
Date		4/24/2020	4/24/2020	2/4/2020	3/17/2019
Status		Recorded	Recorded	Recorded	Recorded
Rights Transferred		Fee Simple	Fee Simple	Fee Simple	Fee Simple
Analysis Price		$5,150,000	$20,200,000	$810,000	$2,300,000
Price/SF		$211.12	$425.86	$132.83	$219.09
TRANSACTIONAL ADJUSTMENTS					
Property Rights		0%	0%	0%	0%
Conditions of Sale		0%	0%	0%	0%
Financing		0%	0%	0%	0%
Expenditures After the Sale		0%	0%	0%	0%
Market Conditions[1]		0%	0%	0%	5%
Subtotal Transactional Adj Price		$211.12	$425.86	$132.83	$230.04
PROPERTY ADJUSTMENTS					
Location		-15%	-10%	35%	15%
Size		0%	0%	-5%	0%
Exposure		0%	0%	5%	5%
Access		10%	0%	5%	5%
Shape		0%	0%	0%	0%
Zoning		5%	-30%	0%	-30%
Corner		5%	0%	5%	5%
Topography		0%	-2%	-2%	-2%
Subtotal Property Adjustment		5%	-42%	43%	-2%
TOTAL ADJUSTED PRICE		**$221.68**	**$247.00**	**$189.95**	**$225.44**

STATISTICS	UNADJUSTED	ADJUSTED
LOW	$132.83	$189.95
HIGH	$425.86	$247.00
MEDIAN	$215.11	$223.56
AVERAGE	$247.23	$221.02

Date of Value (for adjustment calculations): 5/25/21

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LAND SALES ANALYSIS

Introduction

The four comparable land sales indicate an adjusted value ranging from $190 to $247 per square foot, with a median and an average value of $224 and $221 per square foot, respectively. The level of total adjustment applied to the comparables is considered to be moderate to high. Overall, the availability of market data and extent of analysis was adequate to develop a reasonably credible opinion of land value.

Discussion of Adjustments

Land Sale 1's contract was signed in April 2020 for $211 per square foot and is a pending sale. Thus, no adjustment is warranted. The 0.56-acre site is located in the neighborhood of Fremont and allows for multifamily development based on the zoning of C2-55 (M). The slight slope, inline property provides all utilities. Access and exposure are considered inferior than and similar to the subject, respectively, for this other shaped site. The following characteristics of size, exposure, shape, and topography are considered similar to the subject and no adjustment is warranted. Features established to be inferior to the subject and receiving upward adjustments are access at 10.0%, zoning at 5.0%, and corner at 5.0%. The aspect exhibited to be superior to the subject and receiving a downward adjustment is location at -15.0%. As a result of the 35% in gross adjustments that are considered for this comparable, the adjusted price is $222 per square foot. Therefore, primary weight is given to this comparable in determining the value for the subject.

The site of Land Sale 2 ($426 per square foot) sold in April 2020 and in taking into account its date of sale, no adjustment is warranted. The irregular shaped property provides level topography and all utilities in the neighborhood of Central District. The NC3-75 (M) zoning designation allows for multifamily development. Access and exposure are considered similar to the subject for this corner 1.1-acre site. The features of size, exposure, access, shape, and corner are similar to the subject. Thus, no adjustment is necessary. Elements superior to the subject and receiving downward adjustments of -10.0% for location, -30.0% for zoning, and -2.0% for topography are made. After all adjustments are made, the adjusted price is $247 per square foot. Overall, this comparable received a gross adjustment totaling 42% and this comparable is given primary weight in estimating the value for the subject.

Comparable 3's site closed in early 2020 for $133 per square foot and given the market conditions since the sale date, no upward adjustment is warranted. The inline, level site provides an access and exposure that are considered inferior than the subject. This 0.1-acre property provides all utilities and is zoned NC2-55 allowing for multifamily development in the neighborhood of West Seattle. Aspects similar to the subject consist of shape and zoning and no adjustment is made. Elements receiving upward adjustments are location (35.0%), exposure (5.0%), access (5.0%), and corner (5.0%) because they are inferior to the subject. Features receiving downward adjustments are size (-5.0%) and topography (-2.0%) because they are superior to the subject. After all adjustments are applied, the adjusted price is $190 per square foot. Overall, this comparable received a gross adjustment totaling 57% and secondary weight is given to this comparable in supporting the value for the subject.

Located in the neighborhood of South Seattle, Sale 4 transacted in early 2019 for $219 per square foot. Based on its date of sale, a 5.0% upward adjustment is warranted. The level site provides inline access and exposure that are considered inferior than the subject. All utilities are provided to this 0.2-acre property that is zoned NC3-75 allowing for multifamily development. The elements considered similar to the subject consist of size and shape. Therefore, no adjustment is warranted. Aspects inferior to the subject and receiving upward adjustments of 15.0% for location, 5.0% for exposure, 5.0% for access, and 5.0% for corner are made. Characteristics superior to the subject and receiving downward adjustments are -30.0% for zoning and -2.0% for topography are warranted. After all adjustments, the adjusted price is $225 per square foot. Overall, this comparable received a gross adjustment totaling 67% and given the amount of gross adjustments, secondary weight is given to this comparable in determining the value for the subject.

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LAND VALUE CONCLUSION

Based on the results of the preceding analysis, primary weight is placed on Comparables 1 and 2 secondary weight is placed on Comparables 3 and 4 in determining the opinion of the subject's land value.

Additionally, the subject's site is under contract for $13,840,000 or $225.23 per square foot. Overall, the two land sales that were given primary weight bracket the subject's pending sale price on a square foot basis. As a result, the land value is concluded to $225.23 per square foot.

The following table summarizes the analysis of the comparables, reports the reconciled price per square foot value conclusion, and presents the concluded land value (Unencumbered) for the subject site.

CALCULATION OF LAND VALUE

	ANALYSIS	ADJUSTMENT				NET	GROSS	OVERALL
COMP	PRICE	TRANSACTIONAL[1]	ADJUSTED	PROPERTY[2]	FINAL	ADJ %	ADJ %	COMPARISON
1	$211.12	0%	$211.12	5%	**$221.68**	5%	35%	PRIMARY
2	$425.86	0%	$425.86	-42%	**$247.00**	-42%	42%	PRIMARY
3	$132.83	0%	$132.83	43%	**$189.95**	43%	57%	SECONDARY
4	$219.09	5%	$230.04	-2%	**$225.44**	3%	67%	SECONDARY
LOW	**$189.95**					**AVERAGE**		**$221.02**
HIGH	**$247.00**					**MEDIAN**		**$223.56**

COMPONENT	SUBJECT SF		$/SF CONCLUSION		VALUE
TOTAL PROPERTY	**61,448**	**x**	$225.23	**=**	**$13,840,000**

[1]Cumulative [2]Additive

Rounded to nearest $10,000

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INTRODUCTION

The following analysis utilizes the Income Approach along with the previously indicated Unencumbered Land Values to determine the Value - Hypothetical As If Encumbered.

Direct Capitalization

This method analyzes the relationship of one year's stabilized net operating income to total property value. The stabilized net operating income is capitalized at a rate that implicitly considers expected growth in cash flow and growth in property value over a buyer's investment horizon. The implied value may be adjusted to account for non-stabilized conditions or required capital expenditures to reflect an as is value.

Subject Income History/Concessions

The subject property is proposed. The project will provide 285 units consisting of studio, one bed, and two-bed units. Water, sewer and garbage will be included in the rent and the tenants will be responsible for electricity and heat.

The following table summarizes the project's proposed unit mix.

PROPOSED UNIT MIX

	UNIT SUMMARY			UNITS PERCENT	AVG UNIT	NRA
UNIT TYPE	OCC	VAC	TOT	OF TOTAL	SF	SF
Studio	0	47	47	16.5%	487	22,885
1/1 Open	0	91	91	31.9%	562	51,106
1/1	0	124	124	43.5%	651	80,739
2/2	0	18	18	6.3%	859	15,465
2/2 TH	0	5	5	1.8%	1,188	5,940
TOTAL/AVG	**0**	**285**	**285**	**100%**	**618**	**176,135**

ANALYSIS OF RENT COMPARABLES

Unit of Comparison

The analysis is conducted on a rent per month basis, reflecting market behavior. This unit of comparison is predominantly used in this market.

Selection of Comparables

A complete search of the area is conducted in order to find multifamily apartment projects with an age, appeal, condition, number of units, and amenities considered similar to the subject. In our search for the best rent comparables emphasis is placed on distance from subject, unit mix, and age. As a result of the search, five market rent comparables are selected and all are located in the subject's local area. The subject will be excellent condition with good appeal for the market area at completion of construction. The comparables selected in this analysis are properties similar to the subject property.

Presentation

The following presentation summarizes the comparables most similar to the subject property. A Rent Comparable Summation Table, Rent Comparable Location Map, Data Sheets, and analysis of the rent comparables is presented on the following pages.

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RENT SUMMATION TABLE

COMPARABLE	SUBJECT	COMPARABLE 1	COMPARABLE 2	COMPARABLE 3	COMPARABLE 4	COMPARABLE 5
Name	Keiro Northwest Land	Legacy at Pratt Park	Bell Jackson St. (FKA - Modera Jackson)	Verse Seattle	Cypress	Batik Apartments
Address	1601 E. Yesler Way	1800 S Jackson St	1801 South Jackson Street	421 23rd Ave. S.	120 Broadway	123 Broadway
City	Seattle	Seattle	Seattle	Seattle	Seattle	Seattle
State	WA	WA	WA	WA	WA	WA
Zip	98122	98144	98144	98144	98122	98122
PHYSICAL INFORMATION						
Project Design	Mid-Rise	Mid-Rise	Mid-Rise	Mid-Rise	Mid-Rise	Mid-Rise
Number of Units	285	244	160	90	237	195
NRA	176,135	199,128	115,545	77,496	171,897	143,264
Year Built	Proposed	2008	2018	2004	2019	2018
Average SF/Unit	618	816	722	861	725	735
RENT INFORMATION						
Occupancy	Proposed	97.0%	95.0%	96.0%	95.0%	91.0%
Rent Type	Restricted	Market	Market	Market	Market	Market
$/Unit Average	-	$2,014	$2,333	$2,217	$2,066	$2,076
$/SF Average	-	$2.47	$3.23	$2.57	$2.85	$2.83

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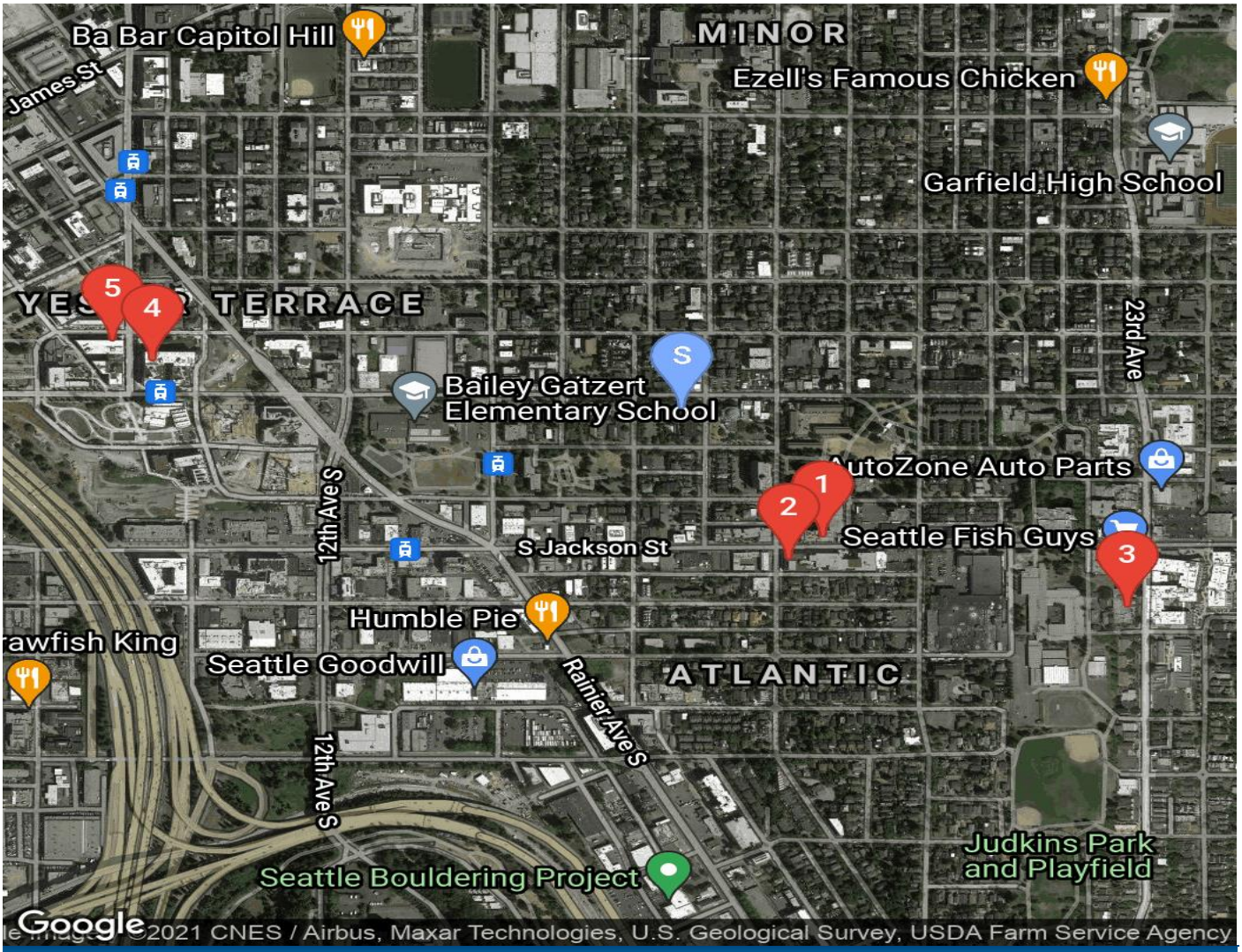
RENT COMPARABLE LOCATION MAP



COMPARABLE KEY

COMP	DISTANCE	NAME	ADDRESS	OCC %	AVG SF/UNIT	$/SF AVG	$/UNIT AVG
SUBJECT	-	Keiro Northwest Land	1601 E. Yesler Way, Seattle, WA	-	618	-	-
No. 1	0.2 Miles	Legacy at Pratt Park	1800 S Jackson St, Seattle, WA	97.0%	816	$2.47	$2,014
No. 2	0.2 Miles	Bell Jackson St. (FKA - Modera Jackson)	1801 South Jackson Street, Seattle, WA	95.0%	722	$3.23	$2,333
No. 3	0.4 Miles	Verse Seattle	421 23rd Ave. S., Seattle, WA	96.0%	861	$2.57	$2,217
No. 4	0.5 Miles	Cypress	120 Broadway, Seattle, WA	95.0%	725	$2.85	$2,066
No. 5	0.5 Miles	Batik Apartments	123 Broadway, Seattle, WA	91.0%	735	$2.83	$2,076

COMPARABLE 1

LOCATION INFORMATION

Name	Legacy at Pratt Park
Address	1800 S Jackson St
City, State, Zip Code	Seattle, WA, 98144
MSA	Seattle-Bellevue-Everett, WA MD

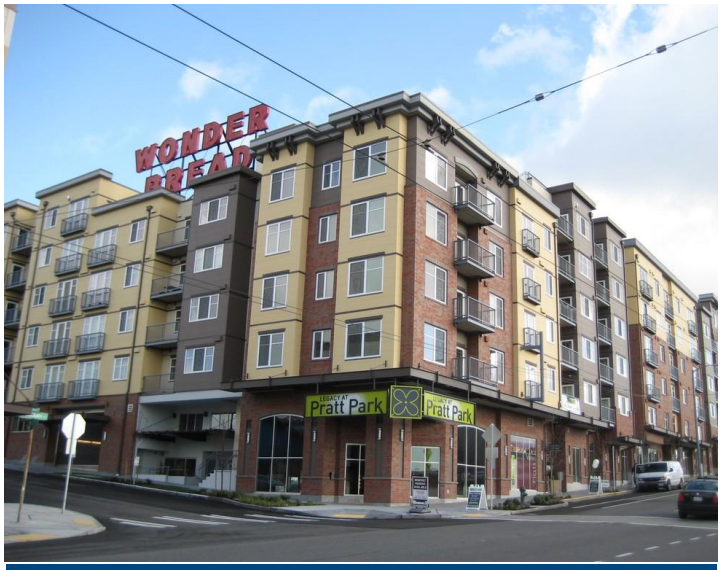
PHYSICAL INFORMATION

Project Design	Mid-Rise
Number of Units	244
Year Built	2008
Net Rentable Area (NRA)	199,128
Average Unit Size (SF)	816
Rent Type	Market
Location	Average
Quality	Good
Condition	Excellent
Project Amenities	Business Center, Clubhouse, Fitness Center, Elevators
Unit Amenities	Deadbolt, Dishwasher, Garbage Disposal, Fireplace, Parking Garage, Premium Flooring, Washer/Dryer In-Unit
Parking	

UTILITIES	INCL. IN RENT	NOT INCL. IN RENT
Electricity		✓
Water		✓
Hot Water		✓
Sewer		✓
Garbage		✓
Telephone		✓
Gas		✓
Cable/Satellite		✓
High-Speed Internet		✓

UNIT MIX

DESCRIPTION	UNITS	SIZE	LOW	HIGH	AVG RENT
1 Bed / 1 Bath	48	734	$1,590	$2,302	$1,946
1 Bed/1 Bath + D	61	833	$2,025	$2,025	$2,025
2 Bed / 1 Bath	6	1038	$2,555	$2,555	$2,555
2 Bed / 2 Bath	55	1075	$2,490	$2,740	$2,615
Studio	74	645	$1,385	$1,730	$1,558



LEGACY AT PRATT PARK

OCCUPANCY / ABSORPTION

Vacant Units	7
Occupancy Rate	97%

CONFIRMATION

Name	Donnie
Source	Legacy at Pratt Park
Date	05/24/2021
Phone Number	+1 206 639 2228

REMARKS

This project reached stabilized occupancy in September 2010. Utilities are billed separately. Water and sewer are individually metered for each unit and billed directly by Seattle City Light.

Garage parking is $125 per month.

Concessions include two months of free rent plus an added bonus of look and lease the same dat for 6 months of free parking.

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COMPARABLE 2

LOCATION INFORMATION

Name	Bell Jackson St. (FKA - Modera Jackson)
Address	1801 South Jackson Street
City, State, Zip Code	Seattle, WA, 98144
MSA	Seattle-Bellevue-Everett, WA MD

PHYSICAL INFORMATION

Project Design	Mid-Rise
Number of Units	160
Year Built	2018
Net Rentable Area (NRA)	115,545
Average Unit Size (SF)	722
Rent Type	Market
Quality	Good
Condition	Excellent
Appeal	Good
Project Amenities	Courtyard, Business Center, On-Site Manager, Elevators, Rooftop Area, Fitness Center, Dog Park, Clubhouse
Unit Amenities	Garbage Disposal, Microwave, Dishwasher, Balcony/Patio, Premium Countertops, Parking Garage, Washer/Dryer In-Unit
Parking	

UTILITIES	INCL. IN RENT	NOT INCL. IN RENT
Electricity		✓
Water		✓
Hot Water		✓
Sewer		✓
Garbage		✓
Telephone		✓
Gas		✓
Cable/Satellite		✓
High-Speed Internet		✓

UNIT MIX

DESCRIPTION	UNITS	SIZE	LOW	HIGH	AVG RENT
Studio	3	658	$2,073	$2,500	$2,287
Studio - MFTE	1	645			$1,581
1BD/1BA	75	621	$1,845	$2,845	$2,345
1BD/1BA - MFTE	22	576	$1,539	$1,539	$1,539
1BD/1BA + Den	20	807	$2,400	$2,400	$2,400
2BD/2BA	30	961	$2,880	$2,994	$2,937
2BD/2BA - MFTE	8	922	$1,992	$1,992	$1,992
2BD/2BA + Den	1	1333	$3,100	$3,100	$3,100

BELL JACKSON ST. (FKA - MODERA JACKSON)

OCCUPANCY / ABSORPTION

Vacant Units	8
Occupancy Rate	95%

CONFIRMATION

Name	Katrina
Source	Bell Jackson
Date	05/24/2021
Phone Number	+1 206 453 0555

REMARKS

App Fee: $46

Pet Rent: $35

Storage Fee: $75

Garage Stall: $150, Tandem Stall $225, Motorcycle $75

Concessions: Up to 12 weeks free rent when move-in by May 31, 2021.

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COMPARABLE 3

LOCATION INFORMATION

Name	Verse Seattle
Address	421 23rd Ave. S.
City, State, Zip Code	Seattle, WA, 98144
MSA	Seattle-Bellevue-Everett, WA MD

PHYSICAL INFORMATION

Project Design	Mid-Rise
Number of Units	90
Year Built	2004
Net Rentable Area (NRA)	77,496
Average Unit Size (SF)	861
Rent Type	Market
Quality	Good
Condition	Good
Appeal	Good
Project Amenities	Electronic Gate, Parking Garage, Security Alarm/Patrol, Fitness Center
Unit Amenities	Washer/Dryer In-Unit, Walk-in Closets, Balcony/Patio, Microwave, Garbage Disposal, Cable/Satellite, Dishwasher
Parking	

UTILITIES	INCL. IN RENT	NOT INCL. IN RENT
Electricity		✓
Water		✓
Hot Water		✓
Sewer		✓
Garbage		✓
Telephone		✓
Gas		✓
Cable/Satellite		✓
High-Speed Internet		✓

UNIT MIX

DESCRIPTION	UNITS	SIZE	LOW	HIGH	AVG RENT
Studio	20	648	$1,600	$1,688	$1,644
1 BD/1 BA	15	732	$1,795	$1,895	$1,845
2 BD/1 BA	17	828	$2,520	$2,520	$2,520
2 BD/1.5 BA	20	966	$2,525	$2,525	$2,525
2 BD/2 BA	18	1120	$2,480	$2,590	$2,535

VERSE SEATTLE

OCCUPANCY / ABSORPTION

Vacant Units	4
Occupancy Rate	96%

CONFIRMATION

Name	-
Source	Rent Survey
Date	05/24/2021
Phone Number	+1 206 330 0718

REMARKS

Garage parking is $150 per month.

This project provides a total of 176 units. However, 86 of the units are individually owned and the remaining 90 units are apartment units.

Concessions include 1 month of free rent on a 12 month lease agreement.

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COMPARABLE 4

LOCATION INFORMATION

Name	Cypress
Address	120 Broadway
City, State, Zip Code	Seattle, WA, 98122
MSA	Seattle-Bellevue-Everett, WA MD

PHYSICAL INFORMATION

Project Design	Mid-Rise
Number of Units	237
Year Built	2019
Net Rentable Area (NRA)	171,897
Average Unit Size (SF)	725
Rent Type	Market
Quality	Good
Condition	Excellent
Appeal	Good
Project Amenities	Dog Park, Elevators, Rooftop Area, BBQ/Picnic Area, Clubhouse, Fitness Center
Unit Amenities	Parking Garage, Garbage Disposal, Refrigerator, Dishwasher, Premium Countertops, Washer/Dryer In-Unit, Ceiling Fans, Air Conditioning
Parking	

UTILITIES	INCL. IN RENT	NOT INCL. IN RENT
Electricity		✓
Water		✓
Hot Water		✓
Sewer		✓
Garbage		✓
Telephone		✓
Gas		✓
Cable/Satellite		✓
High-Speed Internet		✓

UNIT MIX

DESCRIPTION	UNITS	SIZE	LOW	HIGH	AVG RENT
Studio	3	532	$1,735	$1,895	$1,815
Studio Aff.	1	546	$1,193	$1,193	$1,193
1 Bed / 1 Bath	63	688	$1,860	$2,232	$2,046
1 Bed / 1 Bath Aff.	10	673	$1,581	$1,581	$1,581
1 Bed / 1 Bath + D	6	864	$2,297	$2,815	$2,556
1 BD/1 BA Open	87	679	$1,525	$2,310	$1,918
1 BD/1 BA Open Aff	30	634	$1,581	$1,581	$1,581
2 Bed / 2 Bath	30	982	$2,835	$3,515	$3,175
2 Bed / 2 Bath Aff.	7	992	$1,928	$1,928	$1,928

CYPRESS

OCCUPANCY / ABSORPTION

Vacant Units	12
Occupancy Rate	95%

CONFIRMATION

Name	Kianna
Source	Cypress
Date	05/24/2021
Phone Number	+1 206 624 0339

REMARKS

Newer project in the Yesler Terrace block.

Lease terms: 12 to 15 months
Application Fee: $22
Deposit: $600
Pet Deposit: 25% of monthly rent
Pet Rent: $50 per month per pet
Storage: 36 lockers at $68 per month

Garage parking: $225 per month (99 stalls), $275 per month (30 stalls), and $350 per month (2 stalls)

All utilities billed back to the tenants.

Concessions: Up to 10 weeks free rent on select units.

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COMPARABLE 5

LOCATION INFORMATION

Name	Batik Apartments
Address	123 Broadway
City, State, Zip Code	Seattle, WA, 98122
MSA	Seattle-Bellevue-Everett, WA MD

PHYSICAL INFORMATION

Project Design	Mid-Rise
Number of Units	195
Year Built	2018
Net Rentable Area (NRA)	143,264
Average Unit Size (SF)	735
Rent Type	Market
Location	Good
Quality	Good
Condition	Excellent
Project Amenities	Pet Policy, Fitness Center, Game Room, Rooftop Area, Clubhouse, Elevators, BBQ/Picnic Area
Unit Amenities	Washer/Dryer In-Unit, Balcony/Patio, Refrigerator, Garbage Disposal, Premium Countertops, Parking Garage, Range/Stove, Microwave, Dishwasher
Parking	

UTILITIES	INCL. IN RENT	NOT INCL. IN RENT
Electricity		✓
Water		✓
Hot Water		✓
Sewer		✓
Garbage		✓
Telephone		✓
Gas		✓
Cable/Satellite		✓
High-Speed Internet		✓

UNIT MIX

DESCRIPTION	UNITS	SIZE	LOW	HIGH	AVG RENT
Studio	1	504	$1,752	$1,752	$1,752
Studio MFTE	1	505	$1,193	$1,193	$1,193
1 BD/1 BA Open	48	592	$1,499	$2,309	$1,904
1 BD/1 BA Open MF	12	600	$1,193	$1,193	$1,193
1 BD/1 BA	63	714	$1,629	$2,536	$2,083
1 BD/1 BA MFTE	20	676	$1,581	$1,581	$1,581
1 BD/1 BA + D	16	801	$1,659	$2,536	$2,098
1 BD/1 BA LW	1	695	$2,250	$2,250	$2,250
2 Bed / 2 Bath	27	1054	$2,867	$3,502	$3,185
2 Bed / 2 Bath 80%	6	1028	$1,932	$1,932	$1,932

BATIK APARTMENTS

OCCUPANCY / ABSORPTION

Vacant Units	18
Occupancy Rate	91%

CONFIRMATION

Name	Tia
Source	Batik
Date	05/24/2021
Phone Number	+1 206 682 7005

REMARKS

Project started lease-up on March 1, 2018 and reach stabilized occupancy in late December 2018.
Concessions up to 8 weeks free rent.
Parking: $200 per stall per month
Storage: $50 to $110 depending on size.
Guest suite: $150 per night.
Pet area allowed at $50 per month per pet.
W/S/G and sewer capacity charge at $35.90 per unit per month are billed back to the tenants.
Project provide MFTE units and MFTE tenants only pay for electricity, heat and renter's insurance. All other utilities included in rent.
Subject also has a 20-year covenant to provide 20% of the units at or below 80% AMI. Thus, for the first 12 years the MFTE affordable rents exceed the covenant.

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DISCUSSION OF RENTAL ADJUSTMENTS

Adjustments for differences between the subject property and the comparables can be made quantitatively or qualitatively. Adjustments for some differences can be derived from the market and are addressed below. Other items for which dollar adjustments are more difficult to derive are addressed in the Qualitative Adjustments paragraph.

Adjustments

The subject property and the comparables vary to some degree in terms of physical characteristics, project amenities, unit amenities, parking, laundry, and utilities. The following grid illustrates the quantitative adjustments applied to the comparables (when necessary) in order to make the comparables similar to the subject in terms of these features.

RENT COMPARABLE ADJUSTMENT TABLE

	$ ADJ.	SUBJECT	COMP 1		COMP 2		COMP 3		COMP 4		COMP 5	
PHYSICAL PROJECT FEATURES												
Age (per Yr.)	**$3**	0	13	$39	3	$9	17	$51	2	$6	3	$6
Quality	**Varies**	Average	Good	($75)	Good	($75)	Good	($75)	Good	($75)	Good	($75)
Physical Subtotal Adjustment				($36)		($66)		($24)		($69)		($69)
PROJECT AMENITIES												
Swimming Pool	**$5**	**No**	No	$0	No	$0	No	$0	No	$0	No	$0
Fitness Center	**$5**	**No**	Yes	($5)	Yes	($5)	Yes	($5)	Yes	($5)	Yes	($5)
Clubhouse	**$10**	**Yes**	Yes	$0	Yes	$0	No	$10	Yes	$0	Yes	$0
Project Amenities Subtotal Adjustment				($5)		($5)		$5		($5)		($5)
UNIT AMENITIES												
Air Conditioning	**$10**	**No**	No	$0	No	$0	No	$0	Yes	($10)	No	$0
Dishwasher	**$10**	**Yes**	Yes	$0	Yes	$0	Yes	$0	Yes	$0	Yes	$0
Fireplace	**$10**	**No**	Yes	($10)	No	$0	No	$0	No	$0	No	$0
Unit Amenities Subtotal Adjustment				($10)		$0		$0		($10)		$0
LAUNDRY												
Common Laundry	**$5**	**Yes**	No	$5	No	$5	No	$5	No	$5	No	$5
Washer/Dryer Hookups	**$5**	**No**	No	$0	No	$0	No	$0	No	$0	No	$0
Washer/Dryer In-Unit	**$40**	**No**	Yes	($40)	Yes	($40)	Yes	($40)	Yes	($40)	Yes	($40)
Laundry Subtotal Adjustment				($35)		($35)		($35)		($35)		($35)
PARKING												
Parking Open	**$5**	**Yes**	No	$5	No	$5	No	$5	No	$5	No	$5
Parking Covered	**$25**	**No**	No	$0	No	$0	No	$0	No	$0	No	$0
Parking Garage	**$125**	**No**	No	$0	No	$0	No	$0	No	$0	No	$0
Parking Subtotal Adjustment				$5		$5		$5		$5		$5
UTILITIES INCLUDED IN RENT												
Electricity	**$30**	**No**	No	$0	No	$0	No	$0	No	$0	No	$0
Water	**$15**	**Yes**	No	$15	No	$15	No	$15	No	$15	No	$15
Hot Water	**$10**	**No**	No	$0	No	$0	No	$0	No	$0	No	$0
Sewer	**$20**	**Yes**	No	$20	No	$20	No	$20	No	$20	No	$20
Garbage	**$10**	**Yes**	No	$10	No	$10	No	$10	No	$10	No	$10
Cable	**$30**	**No**	No	$0	No	$0	No	$0	No	$0	No	$0
Internet	**$30**	**No**	No	$0	No	$0	No	$0	No	$0	No	$0
Utilities Subtotal Adjustment				$45		$45		$45		$45		$45
TOTAL ADJUSTMENTS				($36)		($56)		($4)		($69)		($59)

RENT COMPARABLE ADJUSTMENT GRID

The following tables adjust the comparables to the subject property quantitatively.

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RENT COMPARABLE ADJUSTMENT SUMMARY

	NO.	AVG	EFF. RENT	ADJUSTMENTS						TOTAL	ADJUSTED	
COMPARABLE 1	**UNITS**	**SIZE**	**$/UNIT**	**PHYSICAL**	**PROJECT**	**UNIT**	**LAUNDRY**	**PARKING**	**UTILITES**	**ADJ**	**$/UNIT**	**$/SF**
1 Bed / 1 Bath	48	734	$1,946	($36)	($5)	($10)	($35)	$5	$45	($36)	$1,910	$2.60
1 Bed/1 Bath + D	61	833	$2,025	($36)	($5)	($10)	($35)	$5	$45	($36)	$1,989	$2.39
2 Bed / 1 Bath	6	1,038	$2,555	($36)	($5)	($10)	($35)	$5	$45	($36)	$2,519	$2.43
2 Bed / 2 Bath	55	1,075	$2,615	($36)	($5)	($10)	($35)	$5	$45	($36)	$2,579	$2.40
Studio	74	645	$1,558	($36)	($5)	($10)	($35)	$5	$45	($36)	$1,522	$2.36
COMPARABLE 2												
Studio	3	658	$2,287	($66)	($5)	$0	($35)	$5	$45	($56)	$2,231	$3.39
Studio - MFTE	1	645	$1,581	($66)	($5)	$0	($35)	$5	$45	($56)	$1,525	$2.36
1BD/1BA	75	621	$2,345	($66)	($5)	$0	($35)	$5	$45	($56)	$2,289	$3.69
1BD/1BA - MFTE	22	576	$1,539	($66)	($5)	$0	($35)	$5	$45	($56)	$1,483	$2.57
1BD/1BA + Den	20	807	$2,400	($66)	($5)	$0	($35)	$5	$45	($56)	$2,344	$2.90
2BD/2BA	30	961	$2,937	($66)	($5)	$0	($35)	$5	$45	($56)	$2,881	$3.00
2BD/2BA - MFTE	8	922	$1,992	($66)	($5)	$0	($35)	$5	$45	($56)	$1,936	$2.10
2BD/2BA + Den	1	1,333	$3,100	($66)	($5)	$0	($35)	$5	$45	($56)	$3,044	$2.28
COMPARABLE 3												
Studio	20	648	$1,644	($24)	$5	$0	($35)	$5	$45	($4)	$1,640	$2.53
1 BD/1 BA	15	732	$1,845	($24)	$5	$0	($35)	$5	$45	($4)	$1,841	$2.52
2 BD/1 BA	17	828	$2,520	($24)	$5	$0	($35)	$5	$45	($4)	$2,516	$3.04
2 BD/1.5 BA	20	966	$2,525	($24)	$5	$0	($35)	$5	$45	($4)	$2,521	$2.61
2 BD/2 BA	18	1,120	$2,535	($24)	$5	$0	($35)	$5	$45	($4)	$2,531	$2.26
COMPARABLE 4												
Studio	3	532	$1,815	($69)	($5)	($10)	($35)	$5	$45	($69)	$1,746	$3.28
Studio Aff.	1	546	$1,193	($69)	($5)	($10)	($35)	$5	$45	($69)	$1,124	$2.06
1 Bed / 1 Bath	63	688	$2,046	($69)	($5)	($10)	($35)	$5	$45	($69)	$1,977	$2.87
1 Bed / 1 Bath Aff.	10	673	$1,581	($69)	($5)	($10)	($35)	$5	$45	($69)	$1,512	$2.25
1 Bed / 1 Bath + D	6	864	$2,556	($69)	($5)	($10)	($35)	$5	$45	($69)	$2,487	$2.88
1 BD/1 BA Open	87	679	$1,918	($69)	($5)	($10)	($35)	$5	$45	($69)	$1,849	$2.72
1 BD/1 BA Open Aff.	30	634	$1,581	($69)	($5)	($10)	($35)	$5	$45	($69)	$1,512	$2.38
2 Bed / 2 Bath	30	982	$3,175	($69)	($5)	($10)	($35)	$5	$45	($69)	$3,106	$3.16
2 Bed / 2 Bath Aff.	7	992	$1,928	($69)	($5)	($10)	($35)	$5	$45	($69)	$1,859	$1.87
COMPARABLE 5												
Studio	1	504	$1,752	($69)	($5)	$0	($35)	$5	$45	($59)	$1,693	$3.36
Studio MFTE	1	505	$1,193	($69)	($5)	$0	($35)	$5	$45	($59)	$1,134	$2.25
1 BD/1 BA Open	48	592	$1,904	($69)	($5)	$0	($35)	$5	$45	($59)	$1,845	$3.12
1 BD/1 BA Open MFTE	12	600	$1,193	($69)	($5)	$0	($35)	$5	$45	($59)	$1,134	$1.89
1 BD/1 BA	63	714	$2,083	($69)	($5)	$0	($35)	$5	$45	($59)	$2,024	$2.83
1 BD/1 BA MFTE	20	676	$1,581	($69)	($5)	$0	($35)	$5	$45	($59)	$1,522	$2.25
1 BD/1 BA + D	16	801	$2,098	($69)	($5)	$0	($35)	$5	$45	($59)	$2,039	$2.54
1 BD/1 BA LW	1	695	$2,250	($69)	($5)	$0	($35)	$5	$45	($59)	$2,191	$3.15
2 Bed / 2 Bath	27	1,054	$3,185	($69)	($5)	$0	($35)	$5	$45	($59)	$3,126	$2.97
2 Bed / 2 Bath 80%	6	1,028	$1,932	($69)	($5)	$0	($35)	$5	$45	($59)	$1,873	$1.82

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MARKET RENT ANALYSIS

The following tables summarize the various indicators of market rent, and provide the market rent analysis and conclusions for the subject property.

STUDIO UNIT CONCLUSION

COMP	UNIT TYPE	UNIT SIZE	RENT/MONTH $/UNIT	RENT/MONTH $/SF	ADJUSTED RENT/MONTH $/UNIT	ADJUSTED RENT/MONTH $/SF	NET ADJ %
5	Studio	504	$1,752	$3.48	$1,693	$3.36	-3.4%
4	Studio	532	$1,815	$3.41	$1,746	$3.28	-3.8%
1	Studio	645	$1,558	$2.41	$1,522	$2.36	-2.3%
3	Studio	648	$1,644	$2.54	$1,640	$2.53	-0.2%
2	Studio	658	$2,287	$3.47	$2,231	$3.39	-2.4%
LOW		504	$1,558	$2.41	$1,522	$2.36	-3.8%
HIGH		658	$2,287	$3.48	$2,231	$3.39	-0.2%
AVERAGE		597	$1,811	$3.06	$1,766	$2.98	-2.4%
MEDIAN		645	$1,752	$3.41	$1,693	$3.28	-2.4%

SUBJECT ANALYSIS & CONCLUSIONS

UNITS	UNIT TYPE	SIZE	CONCLUDED RENT $/UNIT	CONCLUDED RENT $/SF
47	Studio	487	$1,500	$3.08

The studio rent comparables range in size from 504 to 658 square feet, with an average unit size of 597 square feet. The rent comparables' unadjusted rent per month ranges from $1,558 to $2,287, with an average rent of $1,811. After applying adjustments to the comparables for differences in amenities, laundry, parking and utilities, the rent comparables' rent per month ranges from $1,522 to $2,231, with an average rent of $1,766. The subject's unit size falls below the range indicated by the comparables. The reconciled rent is based on the subject's location and the unit sizes of the comparables similar to the subject. The concluded rent is shown in the table above and supported by the adjusted rents of the comparables.

1 BEDROOM UNIT CONCLUSION

COMP	UNIT TYPE	UNIT SIZE	RENT/MONTH $/UNIT	RENT/MONTH $/SF	ADJUSTED RENT/MONTH $/UNIT	ADJUSTED RENT/MONTH $/SF	NET ADJ %
5	1 BD/1 BA	714	$2,083	$2.92	$2,024	$2.83	-2.8%
3	1 BD/1 BA	732	$1,845	$2.52	$1,841	$2.52	-0.2%
5	1 BD/1 BA + D	801	$2,098	$2.62	$2,039	$2.54	-2.8%
5	1 BD/1 BA LW	695	$2,250	$3.24	$2,191	$3.15	-2.6%
5	1 BD/1 BA Open	592	$1,904	$3.22	$1,845	$3.12	-3.1%
4	1 BD/1 BA Open	679	$1,918	$2.82	$1,849	$2.72	-3.6%
4	1 Bed / 1 Bath	688	$2,046	$2.97	$1,977	$2.87	-3.4%
1	1 Bed / 1 Bath	734	$1,946	$2.65	$1,910	$2.60	-1.8%
4	1 Bed / 1 Bath + D	864	$2,556	$2.96	$2,487	$2.88	-2.7%
1	1 Bed/1 Bath + D	833	$2,025	$2.43	$1,989	$2.39	-1.8%
2	1BD/1BA	621	$2,345	$3.78	$2,289	$3.69	-2.4%
2	1BD/1BA + Den	807	$2,400	$2.97	$2,344	$2.90	-2.3%
LOW		592	$1,845	$2.43	$1,841	$2.39	-3.6%
HIGH		864	$2,556	$3.78	$2,487	$3.69	-0.2%
AVERAGE		730	$2,118	$2.92	$2,065	$2.85	-2.5%
MEDIAN		723	$2,064	$2.94	$2,006	$2.85	-2.7%

SUBJECT ANALYSIS & CONCLUSIONS

UNITS	UNIT TYPE	SIZE	CONCLUDED RENT $/UNIT	CONCLUDED RENT $/SF
91	1/1 Open	562	$1,725	$3.07
124	1/1	651	$1,950	$2.99

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The one bedroom rent comparables range in size from 592 to 864 square feet, with an average unit size of 730 square feet. The rent comparables' unadjusted rent per month ranges from $1,845 to $2,556, with an average rent of $2,118. After applying adjustments to the comparables for differences in amenities, laundry, parking and utilities, the rent comparables' rent per month ranges from $1,841 to $2,487, with an average rent of $2,065. The subject's unit sizes fall within and below the range indicated by the comparables. The reconciled rents are based on the subject's location and the unit sizes of the comparables similar to the subject. The concluded rents are shown in the table above and supported by the adjusted rents of the comparables.

2 BEDROOM UNIT CONCLUSION

		UNIT	RENT/MONTH		ADJUSTED RENT/MONTH		NET
COMP	UNIT TYPE	SIZE	$/UNIT	$/SF	$/UNIT	$/SF	ADJ %
3	2 BD/1 BA	828	$2,520	$3.04	$2,516	$3.04	-0.2%
1	2 Bed / 1 Bath	1,038	$2,555	$2.46	$2,519	$2.43	-1.4%
3	2 BD/1.5 BA	966	$2,525	$2.61	$2,521	$2.61	-0.2%
2	2BD/2BA - MFTE	922	$1,992	$2.16	$1,936	$2.10	-2.8%
2	2BD/2BA	961	$2,937	$3.06	$2,881	$3.00	-1.9%
4	2 Bed / 2 Bath	982	$3,175	$3.23	$3,106	$3.16	-2.2%
4	2 Bed / 2 Bath Aff.	992	$1,928	$1.94	$1,859	$1.87	-3.6%
5	2 Bed / 2 Bath 80%	1,028	$1,932	$1.88	$1,873	$1.82	-3.1%
5	2 Bed / 2 Bath	1,054	$3,185	$3.02	$3,126	$2.97	-1.9%
1	2 Bed / 2 Bath	1,075	$2,615	$2.43	$2,579	$2.40	-1.4%
3	2 BD/2 BA	1,120	$2,535	$2.26	$2,531	$2.26	-0.2%
2	2BD/2BA + Den	1,333	$3,100	$2.33	$3,044	$2.28	-1.8%
LOW		828	$1,928	$1.88	$1,859	$1.82	-3.6%
HIGH		1,333	$3,185	$3.23	$3,126	$3.16	-0.2%
AVERAGE		1,025	$2,583	$2.54	$2,541	$2.49	-1.7%
MEDIAN		1,010	$2,545	$2.45	$2,526	$2.41	-1.8%

SUBJECT ANALYSIS & CONCLUSIONS

			CONCLUDED RENT	
UNITS	UNIT TYPE	SIZE	$/UNIT	$/SF
18	2/2	859	$2,520	$2.93
5	2/2 TH	1,188	$2,575	$2.17

The two-bedroom rent comparables range in size from 828 to 1,333 square feet, with an average unit size of 1,025 square feet. The rent comparables' unadjusted rent per month ranges from $1,928 to $3,185, with an average rent of $2,583. After applying adjustments to the comparables for differences in amenities, laundry, parking and utilities, the rent comparables' rent per month ranges from $1,859 to $3,126, with an average rent of $2,541. The subject's unit sizes fall within the range indicated by the comparables. The reconciled rents are based on the subject's location and the unit sizes of the comparables similar to the subject. The concluded rents are shown in the table above and supported by the adjusted rents of the comparables.

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POTENTIAL RENTAL INCOME

The gross rental income equals the total gross income based the rent conclusions presented previously and is summarized in the following table.

APARTMENT POTENTIAL GROSS INCOME

			CONCLUDED MARKET RENT		
UNIT TYPE	UNITS	SF	$/UNIT (MO.)	MONTHLY	ANNUALLY
Studio	47	487	$1,500	$70,500	$846,000
1/1 Open	91	562	$1,725	$156,975	$1,883,700
1/1	124	651	$1,950	$241,800	$2,901,600
2/2	18	859	$2,520	$45,360	$544,320
2/2 TH	5	1188	$2,575	$12,875	$154,500
TOTAL	**285**		**$1,851**	**$527,510**	**$6,330,120**

INCOME & EXPENSE ANALYSIS

The preceding section addressed potential risks associated with the cash flow of the subject property. Operating expenses include those items necessary to maintain the subject property and generate income at the forecasted level. Expenses associated with debt financing, depreciation, or other accounting items are disregarded. Expenses are estimated based on one or more of the following sources: (1) projected operation of the subject; (2) comparable expense properties; (3) published operating sources; or (4) individual suppliers. The expense comparables reflect varying accounting methods with respect to individual line items and reserves for replacement expenses. On a line-item basis, due to the variances in accounting and classification, their applicability is diminished. The following section provides supporting information and discusses the individual expense conclusions for the subject property.

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OTHER INCOME

In the following section, I analyzed and made conclusions for the other income items of the subject property.

OTHER INCOME ANALYSIS & CONCLUSIONS

LAUNDRY/VENDING

	SUBJECT		
YEAR	TOTAL	$/UNIT	%EGI
CONCLUSION	$23,940	$84	0.4%

ANALYSIS

This income is generated from the use of the washer and dryer sets. The following table summarizes laundry income comparables indicating a range from $2.29 to $9.78 per unit per month. Based on the average and median income, this category is reconciled to $7.00 per unit per month.

LAUNDRY INCOME

County	Year of Data	Units	Year Built	$/Unit/Month
King	1/16 - 10/16 Annualized	284	1969	$9.41
Kitsap	Year 2016	43	1995	$7.51
King	2/16-1/17	105	1979	$4.13
King	Year 2016	23	1969	$7.04
Yakima	Year 2017	51	1920	$8.15
Kittitas	Year 2018	61	1968	$7.08
Kittitas	Year 2018	110	1965	$2.29
King	Year 2018	87	1907	$4.34
Pierce	Year 2019	107	1963	$8.14
Whitman	1/19 - 6/19 Annualized	26	2006	$9.78
King	8/18-7/19	47	1909	$5.81
			Min	**$2.29**
			Max	**$9.78**
			Avg.	**$6.70**
			Median	**$7.08**

Source: CIVAS

MISCELLANEOUS INCOME

	SUBJECT		
YEAR	TOTAL	$/UNIT	%EGI
CONCLUSION	$153,900	$540	2.5%

ANALYSIS

Revenue produced in this category is generated by a wide variety of sources including: deposit forfeitures, late fees, miscellaneous cleaning fees, pet deposits, pet rent, vending income, etc. Please note, revenue reported under this category includes vacancy. The following table summarizes miscellaneous income comparables. The miscellaneous income comparables indicate a range from $30 to $64 per unit per month, leading to an average of $45.64 per unit per month and median of $45.99 per unit per month. Based on the range exhibited by the miscellaneous income comparables, miscellaneous income is reconciled to $45 per unit per month, leading to an annual total of $153,900 ($45 per unit per month x 285 units x 12 months).

MISCELLANEOUS INCOME

Building Type	County	Year of Data	Units	Year Built	$/Unit/Month
Garden/Low Rise	Snohomish	9/16 - 8/17	254	1991	$50.09
Garden/Low Rise	Snohomish	6/17 - 5/18	201	1991	$61.86
Garden/Low Rise	Pierce	9/17 - 8/18	105	2003	$30.29
Garden/Low Rise	King	2/17 - 1/18	91	1992	$48.43
Garden/Low Rise	Pierce	Year 2016	256	1999	$41.96
Garden/Low Rise	Pierce	Year 2019	256	1999	$63.70
Garden/Low Rise	Pierce	Year 2019	180	1995	$45.99
Garden/Low Rise	Pierce	5/19-4/20	139	1997	$38.25
Garden/Low Rise	Snohomish	7/19-6/20	138	1990	$30.22
				Min	**$30.22**
				Max	**$63.70**
				Avg.	**$45.64**
				Median	**$45.99**

Source: CIVAS

Vacancy and Credit Loss

The following vacancy and credit loss reflects the probable stabilized vacancy during the economic life of the property. Further, this category accounts for the turnover period between occupants, as well as possible

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prolonged vacancies under slow market conditions. The subject is proposed and thus, no vacancy history exists. A vacancy of 5.3% is indicated by the rent comparables located in the subject's area according to Colliers International Valuation & Advisory Services survey that is shown in the Market Analysis Section of this report. The subject's market area of Central District demonstrates a vacancy of 8.5% as of first quarter of 2021. Given the historical annual vacancy within the Central District market, the vacancy rate is reconciled to 5% for this analysis. Furthermore, a typical buyer of apartment properties similar to the subject would pro forma the income analysis with a 5% vacancy and credit loss rate.

The other income items are based on net income that takes into account vacancy and credit loss and therefore, no deduction for vacancy and credit loss is necessary.

INCOME LOSS	%PGI	$/UNIT	TOTAL
Vacancy & Credit Loss	(5.0%)	($1,025)	($117,900)
Other Income Vacancy & Credit Loss	0.0%	-	$0
TOTAL INCOME LOSS	**(4.9%)**	**($1,025)**	**($117,900)**

Analysis of Operating Expenses

Expenses are estimated based on one or more of the following sources: (1) projected operation of the subject; (2) comparable expense properties; (3) published operating sources; or (4) individual suppliers. The expense comparables reflect varying accounting methods with respect to individual line items and reserves for replacement expenses. On a line-item basis, due to the variances in accounting and classification, their applicability is diminished. The following section provides supporting information and discusses the individual expense conclusions for the subject property. The operating expenses for the subject property were presented previously. The following chart summarizes comparable expenses as well as available published operating expense data.

EXPENSE COMPARABLES

COMPARABLE	COMP 1		COMP 2		COMP 3		COMP 4		COMP 5	
County	King		King		King		King		King	
State	Washington		Washington		Washington		Washington		Washington	
Expense Year	9/19-8/20		10/19-9/20		10/19-9/20		12/18 - 11/19		2/17 - 1/18	
Actual/Budget	Actual		Actual		Actual		Actual		Actual	
Units	233		440		440		68		203	
Year Built	1990		2007		2008		2008		2014	
EGI ($/UNIT)	$29,540		$26,092		$23,451		$21,331		$23,035	
EXPENSE ITEMS	**$/UNIT**	**%EGI**	**$/UNIT**	**%EGI**	**$/UNIT**	**%EGI**	**$/UNIT**	**%EGI**	**$/UNIT**	**%EGI**
Real Estate Taxes	$4,164	14.1%	$3,104	11.9%	$2,216	9.4%	$2,348	11.0%	$3,171	13.8%
Property Insurance	$388	1.3%	$497	1.9%	$424	1.8%	$181	0.9%	$211	0.9%
Gas & Electricity	$319	1.1%	$114	0.4%	$320	1.4%	$141	0.7%	$315	1.4%
Water & Sewer	$888	3.0%	$817	3.1%	$938	4.0%	$1,564	7.3%	$525	2.3%
Trash Removal	$304	1.0%	$440	1.7%	$396	1.7%	$90	0.4%	$144	0.6%
Repairs & Maintenance	$597	2.0%	$308	1.2%	$465	2.0%	$314	1.5%	$692	3.0%
Landscaping	$52	0.2%	$196	0.8%	$48	0.2%	$8	0.0%	$43	0.2%
Turnover Expenses	$152	0.5%	$198	0.8%	$215	0.9%	$89	0.4%	$154	0.7%
Off-Site Management	$889	3.0%	$782	3.0%	$546	2.3%	$894	4.2%	$557	2.4%
On-Site Management	$1,838	6.2%	$1,879	7.2%	$1,233	5.3%	$1,890	8.9%	$1,602	7.0%
Advertising	$264	0.9%	$166	0.6%	$137	0.6%	$356	1.7%	$439	1.9%
General & Administrative	$530	1.8%	$302	1.2%	$304	1.3%	$222	1.0%	$387	1.7%
Reserves	-	-	-	-	-	-	-	-	-	-
TOTAL EXPENSES ($/UNIT)	**$10,386**	**35.2%**	**$8,804**	**33.7%**	**$7,241**	**30.9%**	**$8,097**	**38.0%**	**$8,241**	**35.8%**

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Conclusion of Operating Expenses

In the following section I discuss the individual expense conclusions for the subject property.

EXPENSE CONCLUSIONS

EXPENSE	%EGI	$/UNIT	TOTAL	COMMENT
Real Estate Taxes	12.1%	$2,619	$746,350	See Assessment and Taxation section of report.
Property Insurance	1.2%	$250	$71,250	Based on the range exhibited by the comparables.
Gas & Electricity	0.7%	$150	$42,750	Based on the subject's average unit size and range indicated by the comparables.
Water & Sewer	3.9%	$850	$242,250	Based on the range indicated by the comparables.
Trash Removal	1.4%	$300	$85,500	Based on comparables 1 and 2 because these two properties are located in Bellingham.
Repairs & Maintenance	1.4%	$300	$85,500	Based on the subject's new condition and also includes elevator expenses.
Landscaping	0.5%	$100	$28,500	Based on the minimal landscaping at the subject's site.
Turnover Expenses	0.7%	$150	$42,750	Based on the new condition of the units and range exhibited by the comparables.
Off-Site Management	2.5%	$543	$154,786	Based on the subject's unit count and range exhibited by the comparables.
On-Site Management	7.6%	$1,650	$470,250	Based on the subject's unit count and range exhibited by the comparables.
Advertising	0.9%	$200	$57,000	Based on the range indicated by the comparables with more weight on Comparables 1 and 2.
General & Administrative	1.6%	$350	$99,750	Based on the range indicated by the comparables.
Reserves	0.9%	$200	$57,000	Based on the range indicated by the Capital Reserves comparables.
TOTAL EXPENSES	**35.3%**	**$7,662**	**$2,183,636**	

CAPITAL RESERVES ESTIMATES

URBAN-STYLE BUILDINGS

		Reserves Estimate		
Year Built	Date of PCA Report	Uninflated	Inflated	Term
2014	2014	$156	$189	10 Years
2014	2014	-	$274	10 Years
2014	2014	$197	-	17 Years
2014	2015	$167	$211	12 Years
2014	2015	$106	$133	12 Years
2014	2015	$142	$174	10 Years
2008	2015	$246	$284	8 Years
2015	2015	$204	-	17 Years

NET OPERATING INCOME

The following summarizes the net operating income under the hypothetical condition as if market rent and stabilized.

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NET OPERATING INCOME SUMMATION TABLE

AS IF MARKET RENT

UNIT TYPE	SF/UNIT	UNITS	$/SF	$/UNIT	TOTAL
Studio	487	47	$3.08	$1,500	$846,000
1/1 Open	562	91	$3.07	$1,725	$1,883,700
1/1	651	124	$2.99	$1,950	$2,901,600
2/2	859	18	$2.93	$2,520	$544,320
2/2 TH	1,188	5	$2.17	$2,575	$154,500
TOTAL RENTAL INCOME	**618**	**285**	**$2.99**	**$1,851**	**$6,330,120**
OTHER INCOME					
Laundry/Vending			$0.14	$84	$23,940
Miscellaneous Income			$0.87	$540	$153,900
TOTAL OTHER INCOME			**$1.01**	**$624**	**$177,840**
POTENTIAL GROSS INCOME (PGI)			**$36.95**	**$22,835**	**$6,507,960**
INCOME LOSS	**%PGI**		**$/SF**	**$/UNIT**	**TOTAL**
Vacancy & Credit Loss	(5.0%)		($1.80)	($1,111)	($316,506)
Other Income Vacancy & Credit Loss	0.0%		-	-	$0
TOTAL INCOME LOSS	**(4.9%)**		**($1.80)**	**($1,111)**	**($316,506)**
EFFECTIVE GROSS INCOME (EGI)	**95.1%**		**$35.15**	**$21,724**	**$6,191,454**
EXPENSE ITEMS	**%PGI**	**%EGI**	**$/SF**	**$/UNIT**	**TOTAL**
Real Estate Taxes	(11.5%)	(12.1%)	($4.24)	($2,619)	($746,350)
Property Insurance	(1.1%)	(1.2%)	($0.40)	($250)	($71,250)
Gas & Electricity	(0.7%)	(0.7%)	($0.24)	($150)	($42,750)
Water & Sewer	(3.7%)	(3.9%)	($1.38)	($850)	($242,250)
Trash Removal	(1.3%)	(1.4%)	($0.49)	($300)	($85,500)
Repairs & Maintenance	(1.3%)	(1.4%)	($0.49)	($300)	($85,500)
Landscaping	(0.4%)	(0.5%)	($0.16)	($100)	($28,500)
Turnover Expenses	(0.7%)	(0.7%)	($0.24)	($150)	($42,750)
Off-Site Management	(2.4%)	(2.5%)	($0.88)	($543)	($154,786)
On-Site Management	(7.2%)	(7.6%)	($2.67)	($1,650)	($470,250)
Advertising	(0.9%)	(0.9%)	($0.32)	($200)	($57,000)
General & Administrative	(1.5%)	(1.6%)	($0.57)	($350)	($99,750)
Reserves	(0.9%)	(0.9%)	($0.32)	($200)	($57,000)
TOTAL EXPENSES	**(33.6%)**	**(35.3%)**	**($12.40)**	**($7,662)**	**($2,183,636)**
NET OPERATING INCOME (NOI)	**61.6%**	**64.7%**	**$22.75**	**$14,063**	**$4,007,818**

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ENCUMBERED LAND VALUE ANALYSIS

The subject's site will be encumbered by a regulatory agreement for 20 years. The agreement is to provide all units in an apartment project that must have monthly housing costs affordable to households at or below 60% of area median income.

MAXIMUM ALLOWABLE RENT

Maximum rent levels are based on median household income statistics for King County that are derived by the U.S. Department of Housing and Urban Development (HUD). Income levels are determined by household size. HUD correlates household size with the number of bedrooms in a particular unit, allowing conversion of income limits to unit type by number of bedrooms (1.0 person for studio unit and 1.5 persons per bedroom for one bedroom units or more). The following table summarizes the maximum income allowed for the subject's five unit types.

MAXIMUM INCOME TABLE

	Unit Type & Person(s) Count		
	Studio	1 Bed	2 Beds
AMI Level	1	1.5	3
60%	$48,600	$52,080	$62,520

Based on King County AMI of $115,700 as of April 01, 2021

Based on the income restrictions presented in the previous table, the maximum monthly housing costs can be calculated. First, annual income is converted to monthly equivalent. Then, as designated by HUD, a maximum of 30% of the monthly income can be allocated to housing costs. Housing costs incurred by the tenant include both rent and utilities. In order to derive the maximum rent, deductions for utilities must be made. Allowable utility charges vary based on household size and project. The subject's rents will include water, sewer, and garbage and the expenses for these utilities are deducted from the gross rent. The following table summarizes the calculations used to determine the current *net* maximum allowable monthly rent levels for the subject.

MAXIMUM ALLOWABLE NET RENT CALCULATION

Unit Type	AMI Level	Annual Income Limit	Monthly Income Limit	Max. Housing Cost at 30%	Utility Allowances	Net Maximum LIHTC Rent
Studio	60%	$48,600	$4,050	$1,215	$30	$1,185
1 Bedroom	60%	$52,080	$4,340	$1,302	$35	$1,267
1 Bedroom	60%	$52,080	$4,340	$1,302	$35	$1,267
2 Bedroom	60%	$62,520	$5,210	$1,563	$50	$1,513
2 Bedroom	60%	$62,520	$5,210	$1,563	$50	$1,513

RENT ANALYSIS - RESTRICTED RENT PROJECT

In this process, competing restricted rents in the market are analyzed and correlated with the subject's. The subject's market area contains a LITHC rent projects that provide units at 60% AMI. As a result, four LIHTC projects from Seattle are utilized for this analysis and are surveyed and presented in the following table.

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RENT SUMMATION TABLE

COMPARABLE	SUBJECT	COMPARABLE 1	COMPARABLE 2	COMPARABLE 3	COMPARABLE 4
Name	Keiro Northwest Land	OK Hotel	Hirabayashi Place	Stone Way Apartments	Cascade Court
Address	1601 E. Yesler Way	212 Alaskan Way S	424 S Main St	1215 N 45th St	1201 Summit Ave.
City	Seattle	Seattle	Seattle	Seattle	Seattle
State	WA	WA	WA	WA	WA
Zip	98122	98104	98104	98103	98101
PHYSICAL INFORMATION					
Project Design	Mid-Rise	Mid-Rise	Mid-Rise	Mid-Rise	Mid-Rise
Number of Units	285	44	95	68	100
NRA	176,135	17,632	59,740	53,463	63,072
Year Built	Proposed	1914	2013	2006	1994
Average SF/Unit	618	401	629	786	631
RENT INFORMATION					
Occupancy	Proposed	95.4%	99.0%	100.0%	99.0%
Rent Type	Restricted	Restricted	Restricted	Restricted	Restricted
$/Unit Average	-	$1,005	$900	$951	$1,090
$/SF Average	-	$2.51	$1.43	$1.21	$1.73

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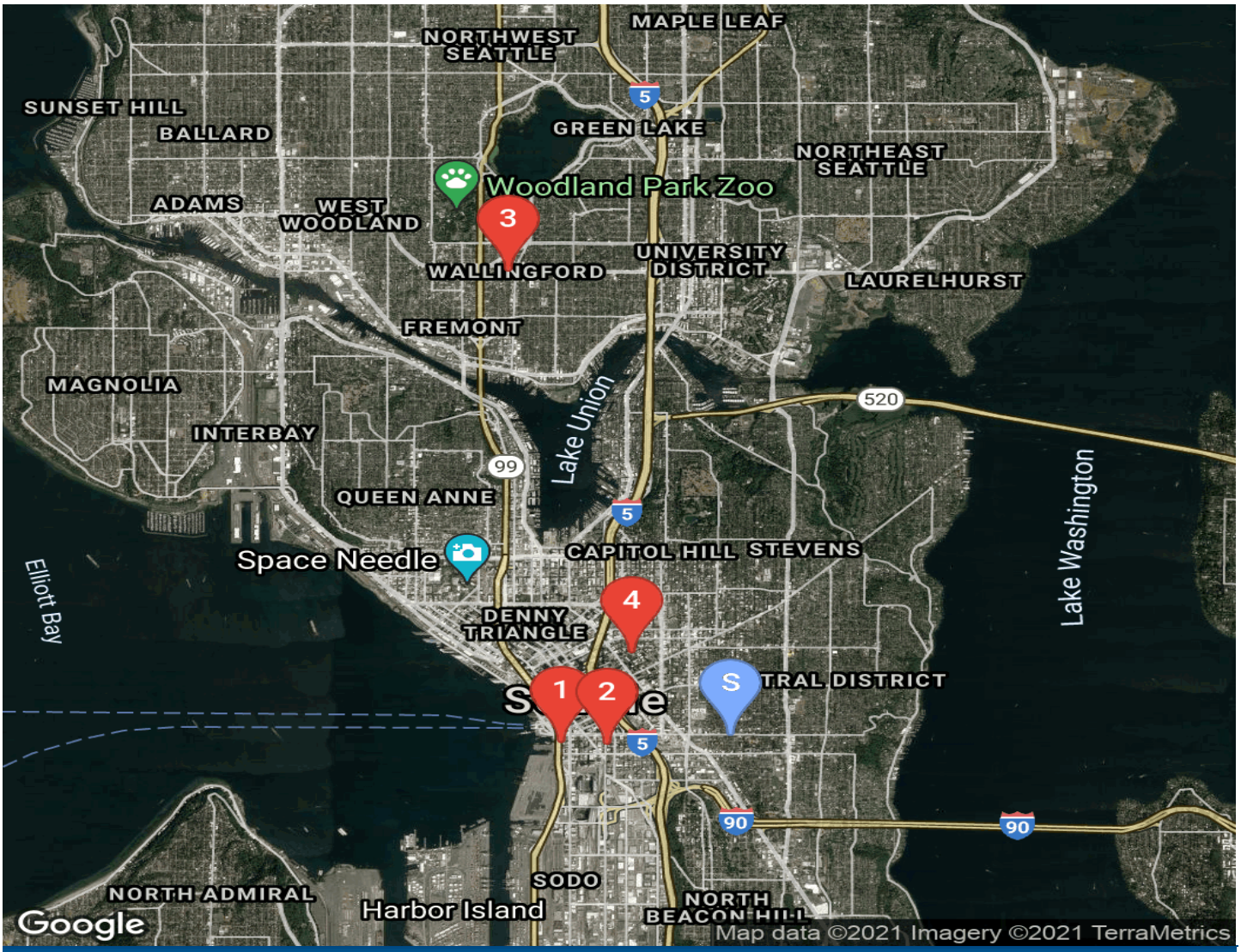
RESTRICTED RENT COMPARABLES MAP



COMPARABLE KEY

COMP	DISTANCE	NAME	ADDRESS	OCC %	AVG SF/UNIT	$/SF AVG	$/UNIT AVG
SUBJECT	-	Keiro Northwest Land	1601 E. Yesler Way, Seattle, WA	-	618	-	-
No. 1	1.2 Miles	OK Hotel	212 Alaskan Way S, Seattle, WA	95.4%	401	$2.51	$1,005
No. 2	0.8 Miles	Hirabayashi Place	424 S Main St, Seattle, WA	99.0%	629	$1.43	$900
No. 3	4.4 Miles	Stone Way Apartments	1215 N 45th St, Seattle, WA	100.0%	786	$1.21	$951
No. 4	0.9 Miles	Cascade Court	1201 Summit Ave., Seattle, WA	99.0%	631	$1.73	$1,090

RESTRICTED RENT COMPARABLE DATA SHEETS

COMPARABLE 1

LOCATION INFORMATION

Name	OK Hotel
Address	212 Alaskan Way S
City, State, Zip Code	Seattle, WA, 98104
MSA	Seattle-Tacoma-Bremerton, WA CMSA

PHYSICAL INFORMATION

Project Design	Mid-Rise
Number of Units	44
Year Built	1914
Net Rentable Area (NRA)	17,632
Average Unit Size (SF)	401
Rent Type	Restricted
Location	Average
Quality	Average
Condition	Average
Project Amenities	Common Laundry, Exterior Lighting
Unit Amenities	Deadbolt, Dishw asher
Parking	

UTILITIES	INCL. IN RENT	NOT INCL. IN RENT
Electricity	✓	
Water	✓	
Hot Water		✓
Sew er	✓	
Garbage	✓	
Telephone		✓
Gas		✓
Cable/Satellite		✓
High-Speed Internet		✓

UNIT MIX

DESCRIPTION	UNITS	SIZE	LOW	HIGH	AVG RENT
1 Bed / 1 Bath 30%	7	440	$672	$672	$672
1 Bed / 1 Bath 60%	7	440	$1,344	$1,344	$1,344
1 Bed / 1 Bath 50%	6	440	$1,120	$1,120	$1,120
Studio 50%	8	368	$1,045	$1,045	$1,045
Studio 30%	8	368	$627	$627	$627
Studio 60%	8	368	$1,254	$1,254	$1,254

OK HOTEL

OCCUPANCY / ABSORPTION

Vacant Units	2
Occupancy Rate	95%

CONFIRMATION

Name	Teresa
Source	OK Hotel
Date	05/20/2021
Phone Number	+1 5.374.4283

REMARKS

Project Design: Mid-Rise
Security deposit is $300
The OK Hotel is a historic property in Pioneer Square that w as substantially rehabbed after the 2001 Nisqually Earthquake. The property operated under the LIHTC Tax Credit Program. Income set asides are 30%, 50% and 60%. The units include electricity and gas in the rent. There are only 4 units at the 60% set aside, but the get maximum allow able rent for these. There are 44 units under the LIHTC restrictions. There are also 9 units in the basement that are loft units not under restrictions.

Concessions: One month free rent.

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COMPARABLE 2

LOCATION INFORMATION

Name	Hirabayashi Place
Address	424 S Main St
City, State, Zip Code	Seattle, WA, 98104
MSA	Seattle-Tacoma-Bremerton, WA CMSA

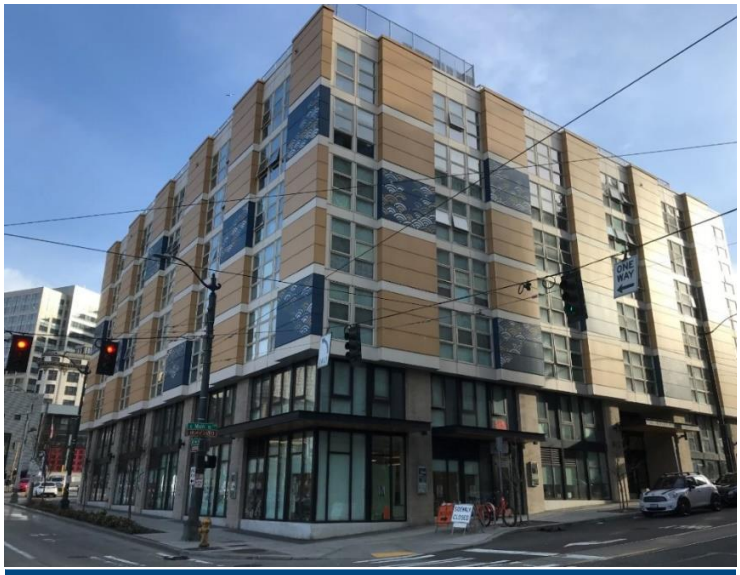
PHYSICAL INFORMATION

Project Design	Mid-Rise
Number of Units	95
Year Built	2013
Net Rentable Area (NRA)	59,740
Average Unit Size (SF)	629
Rent Type	Restricted
Location	Good
Quality	Good
Condition	Excellent
Project Amenities	Elevators, Business Center, Clubhouse, Common Laundry, Exterior Lighting
Unit Amenities	Deadbolt, Dishwasher, Garbage Disposal
Parking	

UTILITIES	INCL. IN RENT	NOT INCL. IN RENT
Electricity		✓
Water		✓
Hot Water		✓
Sewer		✓
Garbage		✓
Telephone		✓
Gas		✓
Cable/Satellite		✓
High-Speed Internet		✓

UNIT MIX

DESCRIPTION	UNITS	SIZE	LOW	HIGH	AVG RENT
Studio 50%	21	420	$800	$800	$800
Studio 60%	5	420	$975	$975	$975
1 Bed/1 Bath 40%	33	674	$745	$745	$745
1 Bed / 1 Bath 50%	10	674	$950	$950	$950
1 Bed / 1 Bath 60%	13	674	$1,150	$1,150	$1,150
2 BD / 1 BA 40%	5	852	$849	$849	$849
2 BD / 1 BA 50%	1	852	$1,100	$1,100	$1,100
2 BD / 1 BA 60%	7	852	$1,350	$1,350	$1,350



HIRABAYASHI PLACE

OCCUPANCY / ABSORPTION

Vacant Units	1
Occupancy Rate	99%

CONFIRMATION

Name	Linda
Source	Hirabayashi Place
Date	05/21/2021
Phone Number	+1 6.623.2536

REMARKS

Project Design: Mid-Rise
# of Units: 95
The project does not provide onsite parking.
This project is a LIHTC property that provides units at 40%, 50% and 60% AMI levels.

Tenants pay all utilities.

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COMPARABLE 3

LOCATION INFORMATION

Name	Stone Way Apartments
Address	1215 N 45th St
City, State, Zip Code	Seattle, WA, 98103
MSA	Seattle-Tacoma-Bremerton, WA CMSA

PHYSICAL INFORMATION

Project Design	Mid-Rise
Number of Units	68
Year Built	2006
Net Rentable Area (NRA)	53,463
Average Unit Size (SF)	786
Rent Type	Restricted
Location	Average
Quality	Average/Good
Condition	Good
Project Amenities	Elevators, Playground, Common Laundry
Unit Amenities	Parking Covered, Deadbolt, Dishwasher, Parking Garage
Parking	Parking Covered

UTILITIES	INCL. IN RENT	NOT INCL. IN RENT
Electricity		✓
Water	✓	
Hot Water		✓
Sewer	✓	
Garbage	✓	
Telephone		✓
Gas		✓
Cable/Satellite		✓
High-Speed Internet		✓

UNIT MIX

DESCRIPTION	UNITS	SIZE	LOW	HIGH	AVG RENT
Studio 50%	5	450	$938	$938	$938
Studio 60%	2	450	$1,132	$1,132	$1,132
1 BD/1 BA 50%	8	621	$995	$995	$995
1 BD/1 BA 60%	12	621	$1,200	$1,200	$1,200
2 BD/1 BA 30%	11	872	$697	$697	$697
2 BD/1 BA 50%	3	872	$1,190	$1,190	$1,190
2 BD/1 BA 60%	2	872	$1,440	$1,440	$1,440
3 BD/2 BA 30%	11	1147	$783	$783	$783
3 BD/2 BA 50%	3	1147	$1,357	$1,357	$1,357
3 BD/2 BA 60%	2	1147	$1,644	$1,644	$1,644
1 Bed / 1 Bath 30%	9	621	$587	$587	$587

STONE WAY APARTMENTS

OCCUPANCY / ABSORPTION

Vacant Units	0
Occupancy Rate	100%

CONFIRMATION

Name	Andrew
Source	Stone Way Apts.
Date	05/20/2021
Phone Number	+1 6.547.1133

REMARKS

Project Design: Mid-Rise
Affordable Program: LIHTC
Four-story controlled access "green" building constructed in 2006 in the Wallingford neighborhood. 35 of the units are project-based Section 8 subsidized units. The remaining units are tax credit units at 30%, 50% and 60% AMI.

Concessions: None

The manager reported that rents have not been increased since the start of the pandemic and since the release of the 2021 median income limits.

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COMPARABLE 4

LOCATION INFORMATION

Name	Cascade Court
Address	1201 Summit Ave.
City, State, Zip Code	Seattle, WA, 98101
MSA	Seattle-Tacoma-Bremerton, WA CMSA

PHYSICAL INFORMATION

Project Design	Mid-Rise
Number of Units	100
Year Built	1994
Net Rentable Area (NRA)	63,072
Average Unit Size (SF)	631
Rent Type	Restricted
Project Amenities	Common Laundry, Parking Garage, Playground, Electronic Gate
Unit Amenities	Washer/Dryer In-Unit, Garbage Disposal, Cable/Satellite, Dishwasher
Parking	

UTILITIES	INCL. IN RENT	NOT INCL. IN RENT
Electricity		✓
Water		✓
Hot Water		✓
Sewer	✓	
Garbage	✓	
Telephone		✓
Gas		✓
Cable/Satellite		✓
High-Speed Internet		✓

UNIT MIX

DESCRIPTION	UNITS	SIZE	LOW	HIGH	AVG RENT
Studio 45%	34	394	$794	$794	$794
Studio 60%	4	446	$1,085	$1,085	$1,085
1 BD/1 BA 45%	8	538	$851	$851	$851
1 BD/1 BA 60%	27	591	$1,163	$1,163	$1,163
2 BD/1 BA 45%	2	750	$930	$930	$930
2 BD/1 BA 60%	12	753	$1,398	$1,398	$1,398
3 BD/2BA 60%	13	1315	$1,599	$1,599	$1,599

CASCADE COURT

OCCUPANCY / ABSORPTION

Vacant Units	1
Occupancy Rate	99%

CONFIRMATION

Name	Jovan
Source	Bellwether Housing
Date	05/25/2021
Phone Number	+1 6.588.4796

REMARKS

MISC: Rent Restricted (45% and 60% of area median income). Covered parking is underground, community garage. Models B-D have dishwashers. Model D has washer/dryer.
Concessions: None

Deposits: $350/0

Rent Restricted (45% and 60% of area median income). Covered parking is underground, community garage. Select units provide a dishwasher and the largest units provide a washer and dryer set.

The manager reported that rents have not been increased since the start of the pandemic and since the release of the 2021 median income limits.

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DISCUSSION OF RENTAL ADJUSTMENTS - RESTRICTED RENT PROJECT

Adjustments for differences between the subject property and the comparables can be made quantitatively or qualitatively. Adjustments for some differences can be derived from the market and are addressed below. The quantitative adjustments that are made are based on information provided by market experience, within a typical market range and considered reasonable.

Adjustments

The subject property and the comparables vary to some degree in terms of physical characteristics, project amenities, unit amenities, parking, laundry, and utilities. The following grid illustrates the quantitative adjustments applied to the comparables (when necessary) in order to make the comparables similar to the subject in terms of these features.

RENT COMPARABLE ADJUSTMENT TABLE

	$ ADJ.	SUBJECT	COMP 1		COMP 2		COMP 3		COMP 4	
PHYSICAL PROJECT FEATURES										
Age (per Yr.)	**Varies**	0	107	$15	8	$15	15	$15	27	$15
Physical Subtotal Adjustment				$15		$15		$15		$15
PROJECT AMENITIES										
Swimming Pool	**$5**	**No**	No	$0	No	$0	No	$0	No	$0
Fitness Center	**$5**	**No**	No	$0	No	$0	No	$0	No	$0
Clubhouse	**$10**	**Yes**	No	$10	Yes	$0	No	$10	No	$10
Project Amenities Subtotal Adjustment				$10		$0		$10		$10
UNIT AMENITIES										
Air Conditioning	**$10**	**No**	No	$0	No	$0	No	$0	No	$0
Dishwasher	**$10**	**Yes**	Yes	$0	Yes	$0	Yes	$0	No	$10
Fireplace	**$10**	**No**	No	$0	No	$0	No	$0	No	$0
Unit Amenities Subtotal Adjustment				$0		$0		$0		$10
LAUNDRY										
Common Laundry	**$5**	**Yes**	Yes	$0	Yes	$0	Yes	$0	Yes	$0
Washer/Dryer Hookups	**$5**	**No**	No	$0	No	$0	No	$0	No	$0
Washer/Dryer In-Unit	**$40**	**No**	No	$0	No	$0	No	$0	No	$0
Laundry Subtotal Adjustment				$0		$0		$0		$0
PARKING										
Parking Open	**$5**	**Yes**	No	$5	No	$5	No	$5	No	$5
Parking Covered	**$25**	**No**	No	$0	No	$0	Yes	($25)	No	$0
Parking Garage	**$125**	**No**	No	$0	No	$0	No	$0	No	$0
Parking Subtotal Adjustment				$5		$5		($20)		$5
UTILITIES INCLUDED IN RENT										
Electricity	**$30**	**No**	Yes	($30)	No	$0	No	$0	No	$0
Water	**$15**	**Yes**	Yes	$0	No	$15	Yes	$0	No	$15
Hot Water	**$10**	**No**	No	$0	No	$0	No	$0	No	$0
Sewer	**$20**	**Yes**	Yes	$0	No	$20	Yes	$0	Yes	$0
Garbage	**$10**	**Yes**	Yes	$0	No	$10	Yes	$0	Yes	$0
Cable	**$30**	**No**	No	$0	No	$0	No	$0	No	$0
Internet	**$30**	**No**	No	$0	No	$0	No	$0	No	$0
Utilities Subtotal Adjustment				($30)		$45		$0		$15
TOTAL ADJUSTMENTS				$0		$65		$5		$55

RENT COMPARABLE ADJUSTMENT GRID - RESTRICTED RENT PROJECT

The following tables adjust the comparables to the subject property quantitatively.

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RENT COMPARABLE ADJUSTMENT SUMMARY

	NO.	AVG	EFF. RENT	ADJUSTMENTS						TOTAL	ADJUSTED	
COMPARABLE 1	**UNITS**	**SIZE**	**$/UNIT**	**PHYSICAL**	**PROJECT**	**UNIT**	**LAUNDRY**	**PARKING**	**UTILITES**	**ADJ**	**$/UNIT**	**$/SF**
1 Bed / 1 Bath 30%	7	440	$672	$15	$10	$0	$0	$5	($30)	$0	$672	$1.53
1 Bed / 1 Bath 60%	7	440	$1,344	$15	$10	$0	$0	$5	($30)	$0	$1,344	$3.05
1 Bed / 1 Bath 50%	6	440	$1,120	$15	$10	$0	$0	$5	($30)	$0	$1,120	$2.55
Studio 50%	8	368	$1,045	$15	$10	$0	$0	$5	($30)	$0	$1,045	$2.84
Studio 30%	8	368	$627	$15	$10	$0	$0	$5	($30)	$0	$627	$1.70
Studio 60%	8	368	$1,254	$15	$10	$0	$0	$5	($30)	$0	$1,254	$3.41
COMPARABLE 2												
Studio 50%	21	420	$800	$15	$0	$0	$0	$5	$45	$65	$865	$2.06
Studio 60%	5	420	$975	$15	$0	$0	$0	$5	$45	$65	$1,040	$2.48
1 Bed/1 Bath 40%	33	674	$745	$15	$0	$0	$0	$5	$45	$65	$810	$1.20
1 Bed / 1 Bath 50%	10	674	$950	$15	$0	$0	$0	$5	$45	$65	$1,015	$1.51
1 Bed / 1 Bath 60%	13	674	$1,150	$15	$0	$0	$0	$5	$45	$65	$1,215	$1.80
2 BD / 1 BA 40%	5	852	$849	$15	$0	$0	$0	$5	$45	$65	$914	$1.07
2 BD / 1 BA 50%	1	852	$1,100	$15	$0	$0	$0	$5	$45	$65	$1,165	$1.37
2 BD / 1 BA 60%	7	852	$1,350	$15	$0	$0	$0	$5	$45	$65	$1,415	$1.66
COMPARABLE 3												
Studio 50%	5	450	$938	$15	$10	$0	$0	($20)	$0	$5	$943	$2.10
Studio 60%	2	450	$1,132	$15	$10	$0	$0	($20)	$0	$5	$1,137	$2.53
1 BD/1 BA 50%	8	621	$995	$15	$10	$0	$0	($20)	$0	$5	$1,000	$1.61
1 BD/1 BA 60%	12	621	$1,200	$15	$10	$0	$0	($20)	$0	$5	$1,205	$1.94
2 BD/1 BA 30%	11	872	$697	$15	$10	$0	$0	($20)	$0	$5	$702	$0.81
2 BD/1 BA 50%	3	872	$1,190	$15	$10	$0	$0	($20)	$0	$5	$1,195	$1.37
2 BD/1 BA 60%	2	872	$1,440	$15	$10	$0	$0	($20)	$0	$5	$1,445	$1.66
3 BD/2 BA 30%	11	1,147	$783	$15	$10	$0	$0	($20)	$0	$5	$788	$0.69
3 BD/2 BA 50%	3	1,147	$1,357	$15	$10	$0	$0	($20)	$0	$5	$1,362	$1.19
3 BD/2 BA 60%	2	1,147	$1,644	$15	$10	$0	$0	($20)	$0	$5	$1,649	$1.44
1 Bed / 1 Bath 30%	9	621	$587	$15	$10	$0	$0	($20)	$0	$5	$592	$0.95
COMPARABLE 4												
Studio 45%	34	394	$794	$15	$10	$10	$0	$5	$15	$55	$849	$2.15
Studio 60%	4	446	$1,085	$15	$10	$10	$0	$5	$15	$55	$1,140	$2.56
1 BD/1 BA 45%	8	538	$851	$15	$10	$10	$0	$5	$15	$55	$906	$1.68
1 BD/1 BA 60%	27	591	$1,163	$15	$10	$10	$0	$5	$15	$55	$1,218	$2.06
2 BD/1 BA 45%	2	750	$930	$15	$10	$10	$0	$5	$15	$55	$985	$1.31
2 BD/1 BA 60%	12	753	$1,398	$15	$10	$10	$0	$5	$15	$55	$1,453	$1.93
3 BD/2BA 60%	13	1,315	$1,599	$15	$10	$10	$0	$5	$15	$55	$1,654	$1.26

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RENT ANALYSIS AND CONCLUSIONS - RESTRICTED RENT PROJECT

STUDIO UNIT CONCLUSION

COMP	UNIT TYPE	UNIT SIZE	RENT/MONTH $/UNIT	RENT/MONTH $/SF	ADJUSTED RENT/MONTH $/UNIT	ADJUSTED RENT/MONTH $/SF	NET ADJ %
1	Studio 60%	368	$1,254	$3.41	$1,254	$3.41	0.0%
2	Studio 60%	420	$975	$2.32	$1,040	$2.48	6.3%
4	Studio 60%	446	$1,085	$2.43	$1,140	$2.56	4.8%
3	Studio 60%	450	$1,132	$2.52	$1,137	$2.53	0.4%
LOW		368	$975	$2.32	$1,040	$2.48	0.0%
HIGH		450	$1,254	$3.41	$1,254	$3.41	6.3%
AVERAGE		421	$1,112	$2.67	$1,143	$2.74	2.9%
MEDIAN		433	$1,109	$2.47	$1,139	$2.54	2.6%

SUBJECT ANALYSIS & CONCLUSIONS

UNITS	UNIT TYPE	SIZE	MARKET RENT $/UNIT	MARKET RENT $/SF	MAX LIHTC RENT $/UNIT	MAX LIHTC RENT $/SF	CONCLUDED RENT $/UNIT	CONCLUDED RENT $/SF
47	Studio 60%	487	$1,500	$3.08	$1,185	$2.43	$1,185	$2.43

The subject will provide studio units that average 487 square feet and are allocated to a rent of 60% AMI. The estimated market rent for the one bed units is $1,500 per month and the maximum LIHTC rent is $1,185 per month. The max LIHTC rent is supported by the LIHTC comparables asking rents at 60% AMI. As a result, the concluded LIHTC rent is estimated at the maximum allowed.

1 BEDROOM UNIT CONCLUSION

COMP	UNIT TYPE	UNIT SIZE	RENT/MONTH $/UNIT	RENT/MONTH $/SF	ADJUSTED RENT/MONTH $/UNIT	ADJUSTED RENT/MONTH $/SF	NET ADJ %
4	1 BD/1 BA 60%	591	$1,163	$1.97	$1,218	$2.06	4.5%
3	1 BD/1 BA 60%	621	$1,200	$1.93	$1,205	$1.94	0.4%
1	1 Bed / 1 Bath 60%	440	$1,344	$3.05	$1,344	$3.05	0.0%
2	1 Bed / 1 Bath 60%	674	$1,150	$1.71	$1,215	$1.80	5.3%
LOW		440	$1,150	$1.71	$1,205	$1.80	0.0%
HIGH		674	$1,344	$3.05	$1,344	$3.05	5.3%
AVERAGE		582	$1,214	$2.17	$1,246	$2.21	2.6%
MEDIAN		606	$1,182	$1.95	$1,217	$2.00	2.5%

SUBJECT ANALYSIS & CONCLUSIONS

UNITS	UNIT TYPE	SIZE	MARKET RENT $/UNIT	MARKET RENT $/SF	MAX LIHTC RENT $/UNIT	MAX LIHTC RENT $/SF	CONCLUDED RENT $/UNIT	CONCLUDED RENT $/SF
91	1/1 Open 60%	562	$1,725	$3.07	$1,267	$2.26	$1,267	$2.26
124	1/1 60%	651	$1,950	$2.99	$1,267	$1.95	$1,267	$1.95

The subject will provide open one bed units at 562 square feet and one-bedroom units that average 651 square feet and are allocated to a rent of 60% AMI. The estimated market rent for the open one bed units is $1,725 per month and the one bed units is $1,950 per month and the maximum LIHTC rent is $1,267 per month. The max LIHTC rent is supported by the LIHTC comparables asking rents at 60% AMI. As a result, the concluded LIHTC rent is estimated at the maximum allowed.

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2 BEDROOM UNIT CONCLUSION							
		UNIT	RENT/MONTH		ADJUSTED RENT/MONTH		NET
COMP	UNIT TYPE	SIZE	$/UNIT	$/SF	$/UNIT	$/SF	ADJ %
2	2 BD / 1 BA 60%	852	$1,350	$1.58	$1,415	$1.66	4.6%
4	2 BD/1 BA 60%	753	$1,398	$1.86	$1,453	$1.93	3.8%
3	2 BD/1 BA 60%	872	$1,440	$1.65	$1,445	$1.66	0.3%
LOW		753	$1,350	$1.58	$1,415	$1.66	0.3%
HIGH		872	$1,440	$1.86	$1,453	$1.93	4.6%
AVERAGE		826	$1,396	$1.70	$1,438	$1.75	2.9%
MEDIAN		852	$1,398	$1.65	$1,445	$1.66	3.8%

SUBJECT ANALYSIS & CONCLUSIONS								
			MARKET RENT		MAX LIHTC RENT		CONCLUDED RENT	
UNITS	UNIT TYPE	SIZE	$/UNIT	$/SF	$/UNIT	$/SF	$/UNIT	$/SF
18	2/2 60%	859	$2,520	$2.93	$1,513	$1.76	$1,513	$1.76
5	2/2 TH 60%	1,188	$2,575	$2.17	$1,513	$1.27	$1,513	$1.27

The subject will provide two-bedroom units that average 859 square feet and two-bed townhouse units that measure 1,188 square feet and are allocated to a rent of 60% AMI. The estimated market rent for the two-bed units is $2,520 per month and for the townhouse units is $2,575 per month, and the maximum LIHTC rent is $1,513 per month. The max LIHTC rent falls higher than the range indicated by the LIHTC comparables and is not supportable. However, many LIHTC projects have not increased rent since the pandemic started and given the moratorium on increasing rents for existing tenants. The max LIHTC rent fall greater than 10% below the estimated market rent. Even though the max rent falls higher than the comparables, the reconciled rent will be at the maximum allowed.

RESTRICTED RENT CONCLUSIONS AND ANALYSIS

APARTMENT POTENTIAL GROSS INCOME												
			MARKET RENT			MAX LIHTC RENT			CONCLUDED LIHTC RENT			
UNIT TYPE	UNITS	SF	$/UNIT (MO.)	MONTHLY	ANNUALLY	$/UNIT (MO.)	MONTHLY	ANNUALLY	$/UNIT (MO.)	MONTHLY	ANNUALLY	
Studio 60%	47	487	$1,500	$70,500	$846,000	$1,185	$55,695	$668,340	$1,185	$55,695	$668,340	
1/1 Open 60%	91	562	$1,725	$156,975	$1,883,700	$1,267	$115,297	$1,383,564	$1,267	$115,297	$1,383,564	
1/1 60%	124	651	$1,950	$241,800	$2,901,600	$1,267	$157,108	$1,885,296	$1,267	$157,108	$1,885,296	
2/2 60%	18	859	$2,520	$45,360	$544,320	$1,513	$27,234	$326,808	$1,513	$27,234	$326,808	
2/2 TH 60%	5	1188	$2,575	$12,875	$154,500	$1,513	$7,565	$90,780	$1,513	$7,565	$90,780	
TOTAL	**285**		**$1,851**	**$527,510**	**$6,330,120**	**$1,273**	**$362,899**	**$4,354,788**	**$1,273**	**$362,899**	**$4,354,788**	

The table above summarizes the LIHTC rents for each unit type of each income bracket. As demonstrated in the following table, the reconciled LIHTC restricted rents are considered reasonable and below the market rent estimated presented earlier in this report.

PROJECTION OF ACHIEVABLE RENT							
Unit Type	AMI Level	Net Maximum LIHTC Rent	Market Rent	Projected Rent	Difference (Spread)	Percent of Market Rent	% Diff. of Market Rent*
Studio	60%	$1,185	$1,500	$1,185	$315	79%	21%
1 Bedroom	60%	$1,267	$1,725	$1,267	$458	73%	27%
1 Bedroom	60%	$1,267	$1,950	$1,267	$683	65%	35%
2 Bedroom	60%	$1,513	$2,520	$1,513	$1,007	60%	40%
2 Bedroom	60%	$1,513	$2,575	$1,513	$1,062	59%	41%

*Inverse of Percent of Market Rent

As restricted LIHTC rents get closer to market rents in a market area, the subject will start to compete with market rate projects. Therefore, the restricted rents are typically discounted to justify the extra paperwork and qualification hurdles a tenant must pass. Typically, a minimum discount of 10% of market rent is generally

reasonable for units at 60% of AMI. For the five unit types in which the rents are based LIHTC 60% AMI, the discount falls higher than this range and thus, the estimated LIHTC rents at 60% AMI for this analysis are considered reasonable.

Other Income

This conclusion is based on market information and bracketed by the subject's history.

OTHER INCOME CONCLUSIONS

OTHER INCOME CATEGORY	%EGI	$/UNIT	TOTAL	COMMENT
Laundry/Vending	0.6%	$84	$23,940	Concluded at the same amount as indicated in the market rent analysis.
Miscellaneous Income	0.8%	$120	$34,200	The following table summarizes Miscellaneous Income from LIHTC comparables that indicate a range from $6.00 to $29.00 per unit per month. Give the subject's unit count, this income is estimated at $10.00 per unit per month.
TOTAL OTHER INCOME	**1.4%**	**$204**	**$58,140**	

MISCELLANEOUS INCOME

Building Type	County	Units	Year Built	$/Unit/Month
LIHTC Tax Credit Housing	Kitsap	43	1995	$19.77
LIHTC Tax Credit Housing	Snohomish	25	1999	$18.45
LIHTC Tax Credit Housing	Canyon	114	2002	$20.99
LIHTC Tax Credit Housing	Canyon	48	2002	$26.04
LIHTC Tax Credit Housing	Lewis	50	2005	$10.51
LIHTC Tax Credit Housing	Benton	142	1995	$28.60
LIHTC Tax Credit Housing	Whitman	51	1996	$15.29
LIHTC Tax Credit Housing	Whitman	26	2006	$5.99
			Min	**$5.99**
			Max	**$28.60**

Source: CIVAS

VACANCY & CREDIT LOSS – RESTRICTED RENT PROJECT

Annual occupancy in the subject's market for rent restricted projects averages 98.7% as indicated by the rent survey for rent restricted projects. The survey consisted of 307 units. For this analysis, a 3% vacancy rate is utilized and considered reasonable given that the subject is an affordable housing project.

The vacancy and credit loss other income items are based on a net amount and thus, no deduction is necessary.

INCOME LOSS				
Vacancy & Credit Loss	(3.0%)	($0.74)	($458)	($130,644)
Other Income Vacancy & Credit Loss	0.0%	-	-	$0
TOTAL INCOME LOSS	**(3.0%)**	**($0.74)**	**($458)**	**($130,644)**

Analysis of Operating Expenses – Restricted Rent

Expenses are estimated based on one or more of the following sources: (1) historical restricted rent operation of the subject; (2) Restricted rent expense comparable expense properties; (3) published operating sources; or (4) individual suppliers. The expense comparables reflect varying accounting methods with respect to individual line items and reserves for replacement expenses. On a line-item basis, due to the variances in accounting and classification, their applicability is diminished. The following section provides supporting information and discusses the individual expense conclusions for the subject property. The operating expenses for the subject property were presented previously. The following chart summarizes comparable expenses as well as available published operating expense data.

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LIHTC EXPENSE COMPARABLES

COMPARABLE	COMP 1		COMP 2		COMP 3		COMP 4		COMP 5		COMP 6	
City	Whatcom		King		Kitsap		Pierce		Lewis		Benton	
State	Washington		Washington		Washington		Washington		Washington		Washington	
Expense Year	T12 - 7/19 to 6/20		Year 2019		Year 2019		Year 2019		Year 2018		Year 2018	
Actual/Budget	Actual		Actual		Actual		Actual		Actual		Actual	
Units	228		55		25		107		50		51	
Net Rentable Area	221,616		21,945		23,800		83,353		55,500		54,927	
Year Built	2000		1987		1995		1963		2005		1998	
EGI ($/UNIT)	$14,069		$12,618		$13,074		$12,281		$8,061		$9,136	
EXPENSE ITEMS	**$/UNIT**	**%EGI**	**$/UNIT**	**%EGI**	**$/UNIT**	**%EGI**	**$/UNIT**	**%EGI**	**$/UNIT**	**%EGI**	**$/UNIT**	**%EGI**
Real Estate Taxes	$101	0.7%	$130	1.0%	$875	6.7%	$11	0.1%	$85	1.1%	$576	6.3%
Property Insurance	$199	1.4%	$203	1.6%	$321	2.5%	$352	2.9%	$256	3.2%	$256	2.8%
Utilities Total	-	-	-	-	$1,518	11.6%	-	-	-	-	-	-
Gas & Electricity	$127	0.9%	$87	0.7%	-	-	$977	8.0%	$117	1.4%	$140	1.5%
Water & Sewer	$768	5.5%	$643	5.1%	-	-	$783	6.4%	$1,446	17.9%	$572	6.3%
Trash Removal	$236	1.7%	$180	1.4%	$309	2.4%	$360	2.9%	$338	4.2%	$258	2.8%
Repairs & Maintenance	$336	2.4%	$1,010	8.0%	$254	1.9%	$983	8.0%	$249	3.1%	$491	5.4%
Landscaping	$195	1.4%	$77	0.6%	$426	3.3%	$150	1.2%	$148	1.8%	$208	2.3%
Turnover Expenses	$50	0.4%	$316	2.5%	-	-	-	-	-	-	$286	3.1%
Off-Site Management	-	-	$748	5.9%	-	-	$399	3.2%	$455	5.6%	$524	5.7%
On-Site Management	$2,055	14.6%	$2,686	21.3%	-	-	$1,888	15.4%	$1,450	18.0%	$902	9.9%
Audit	$23	0.2%	$155	1.2%	-	-	-	-	$220	2.7%	-	-
Annual Compliance Monitoring Fee	$25	0.2%	-	-	-	-	-	-	$43	0.5%	$72	0.8%
Advertising	$29	0.2%	$1	0.0%	-	-	$8	0.1%	$45	0.6%	$60	0.7%
General & Administrative	$1,026	7.3%	$349	2.8%	$228	1.7%	$374	3.0%	$629	7.8%	$773	8.5%
Reserves	$777	5.5%	-	-	$87	0.7%	$1,920	15.6%	$389	4.8%	-	-
TOTAL EXPENSES ($/UNIT)	**$5,946**	**42.3%**	**$6,585**	**52.2%**	**$4,017**	**30.7%**	**$8,204**	**66.8%**	**$5,869**	**72.8%**	**$5,117**	**56.0%**

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APARTMENT EXPENSE ANALYSIS – AS ENCUMBERED

Our conclusion of expenses is different from the Unencumbered scenario. Below are the conclusions.

EXPENSE CONCLUSIONS

EXPENSE	%EGI	$/UNIT	TOTAL	COMMENT
Real Estate Taxes	0.0%	$0	$0	The subject will be able to obtain the tax exemption in providing affordable housing. Thus, no expense is concluded.
Property Insurance	1.7%	$250	$71,250	Estimated at same conclusion indicated in market rent analysis.
Gas & Electricity	1.0%	$150	$42,750	Estimated at same conclusion indicated in market rent analysis.
Water & Sewer	5.7%	$850	$242,250	Estimated at same conclusion indicated in market rent analysis.
Trash Removal	2.0%	$300	$85,500	Estimated at same conclusion indicated in market rent analysis.
Repairs & Maintenance	2.0%	$300	$85,500	Estimated at same conclusion indicated in market rent analysis.
Landscaping	0.7%	$100	$28,500	Estimated at same conclusion indicated in market rent analysis.
Turnover Expenses	0.7%	$100	$28,500	Affordalbe housing projects typically have less turnover than market rent projects.
Off-Site Management	3.0%	$451	$128,469	Based on the range indicated by the LIHTC expense comparables.
On-Site Management	11.3%	$1,700	$484,500	Based on the range indicated by the LIHTC expense comparables.
Audit	0.2%	$26	$7,500	Based on the range indicated by the LIHTC expense comparables.
Annual Compliance Monitoring Fee	0.3%	$45	$12,825	Based on WA State's Compliance Monitoring Fees for properties placed in service after 3/31/2001.
Advertising	0.2%	$30	$8,550	Based on the range indicated by the LIHTC expense comparables.
General & Administrative	1.7%	$250	$71,250	This expense is typically higher than a market rent project due to the added paper work for affordable housing.
Reserves	1.3%	$200	$57,000	Estimated at same conclusion indicated in market rent analysis.
TOTAL EXPENSES	**31.6%**	**$4,752**	**$1,354,344**	

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The following table summarizes the net operating income for with regulatory agreement for the subject.

DIRECT CAPITALIZATION SUMMATION TABLE
AS ENCUMBERED

UNIT TYPE	SF/UNIT	UNITS	$/SF	$/UNIT	TOTAL
Studio 60%	487	47	$2.43	$1,185	$668,340
1/1 Open 60%	562	91	$2.26	$1,267	$1,383,564
1/1 60%	651	124	$1.95	$1,267	$1,885,296
2/2 60%	859	18	$1.76	$1,513	$326,808
2/2 TH 60%	1,188	5	$1.27	$1,513	$90,780
TOTAL RENTAL INCOME			**$2.06**	**$1,273**	**$4,354,788**
OTHER INCOME					
Laundry/Vending			$0.14	$84	$23,940
Miscellaneous Income			$0.19	$120	$34,200
TOTAL OTHER INCOME			**$0.33**	**$204**	**$58,140**
POTENTIAL GROSS INCOME (PGI)			**$25.05**	**$15,484**	**$4,412,928**
INCOME LOSS					
Vacancy & Credit Loss	(3.0%)		($0.74)	($458)	($130,644)
Other Income Vacancy & Credit Loss	0.0%		-	-	$0
TOTAL INCOME LOSS	**(3.0%)**		**($0.74)**	**($458)**	**($130,644)**
EFFECTIVE GROSS INCOME (EGI)	**97.0%**		**$24.31**	**$15,026**	**$4,282,284**
EXPENSE ITEMS					
Real Estate Taxes	0.0%	0.0%	-	-	$0
Property Insurance	(1.6%)	(1.7%)	($0.40)	($250)	($71,250)
Gas & Electricity	(1.0%)	(1.0%)	($0.24)	($150)	($42,750)
Water & Sewer	(5.5%)	(5.7%)	($1.38)	($850)	($242,250)
Trash Removal	(1.9%)	(2.0%)	($0.49)	($300)	($85,500)
Repairs & Maintenance	(1.9%)	(2.0%)	($0.49)	($300)	($85,500)
Landscaping	(0.6%)	(0.7%)	($0.16)	($100)	($28,500)
Turnover Expenses	(0.6%)	(0.7%)	($0.16)	($100)	($28,500)
Off-Site Management	(2.9%)	(3.0%)	($0.73)	($451)	($128,469)
On-Site Management	(11.0%)	(11.3%)	($2.75)	($1,700)	($484,500)
Audit	(0.2%)	(0.2%)	($0.04)	($26)	($7,500)
Annual Compliance Monitoring Fee	(0.3%)	(0.3%)	($0.07)	($45)	($12,825)
Advertising	(0.2%)	(0.2%)	($0.05)	($30)	($8,550)
General & Administrative	(1.6%)	(1.7%)	($0.40)	($250)	($71,250)
Reserves	(1.3%)	(1.3%)	($0.32)	($200)	($57,000)
TOTAL EXPENSES	**(30.7%)**	**(31.6%)**	**($7.69)**	**($4,752)**	**($1,354,344)**
NET OPERATING INCOME (NOI)	**66.3%**	**68.4%**	**$16.62**	**$10,273**	**$2,927,941**

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Encumbered Land Value Analysis

The difference between market net operating income (NOI) and restricted NOI income represents lost revenue to the subject property. Market rent NOI is based on estimated market rent for the subject property. The annual differences are discounted to a present value. These are then totaled and represent the lost value to the land due to the existing regulatory agreement (Value A). The indicated discount ($9,436,192) is less than the fee simple value of the land, thus there is a residual value to the land during the regulatory agreement (Value B or $4,403,808).

At the termination of the regulatory agreement, the property owner could convert the property to a market use. Thus, we project or inflate the fee simple value out to the expiration of the regulatory agreement, and then discount the value back to a present value. More specifically, we project an inflation rate of 2.5% per year for the land value and a discount rate of 12% to reflect the loss of income for 20 years. There is minimal risk of losing the investment, but it represents a 20-year hold with minimal or chance of return prior to end of the term. Thus, this needs to represent a reasonable option to alternative investments with regular returns on the initial investment. Our estimate of the future land value inflated at 2.5% for 20 years is $22,678,452. This is then discounted at 12.0% to arrive at an estimated land value as encumbered as shown below (Value C).

Values B and C are then added together to arrive at the land value as encumbered (Value D).

The Value – Hypothetical As If Encumbered is estimated at **$6,750,000** for the site.

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ENCUMBERED LAND VALUE

Date of Value	May 25, 2021
Unit Count	285
Land Value (Fee Simple)	$13,840,000
Current As Is Value Per Unit	$48,561.40
Project Inflation Rate	2.50%
Discount Rate	12.00%

YEAR	PERIOD END DATE	RESTRICTED AS IS INCOME	MARKET INCOME	INCOME DIFFERENCE	PV FACTOR AT 12.00%	PRESENT VALUE
1	5/25/2022	$2,927,941	$4,007,818	($1,079,877)	0.892857	($964,176)
2	5/25/2023	$3,001,140	$4,108,013	($1,106,874)	0.797194	($882,393)
3	5/25/2024	$3,076,168	$4,210,714	($1,134,546)	0.711780	($807,547)
4	5/25/2025	$3,153,072	$4,315,982	($1,162,909)	0.635518	($739,050)
5	5/25/2026	$3,231,899	$4,423,881	($1,191,982)	0.567427	($676,363)
6	5/25/2027	$3,312,696	$4,534,478	($1,221,782)	0.506631	($618,993)
7	5/25/2028	$3,395,514	$4,647,840	($1,252,326)	0.452349	($566,489)
8	5/25/2029	$3,480,402	$4,764,036	($1,283,634)	0.403883	($518,438)
9	5/25/2030	$3,567,412	$4,883,137	($1,315,725)	0.360610	($474,464)
10	5/25/2031	$3,656,597	$5,005,215	($1,348,618)	0.321973	($434,219)
11	5/25/2032	$3,748,012	$5,130,346	($1,382,334)	0.287476	($397,388)
12	5/25/2033	$3,841,712	$5,258,605	($1,416,892)	0.256675	($363,681)
13	5/25/2034	$3,937,755	$5,390,070	($1,452,315)	0.229174	($332,833)
14	5/25/2035	$4,036,199	$5,524,821	($1,488,622)	0.204620	($304,602)
15	5/25/2036	$4,137,104	$5,662,942	($1,525,838)	0.182696	($278,765)
16	5/25/2037	$4,240,532	$5,804,515	($1,563,984)	0.163122	($255,120)
17	5/25/2038	$4,346,545	$5,949,628	($1,603,083)	0.145644	($233,480)
18	5/25/2039	$4,455,208	$6,098,369	($1,643,161)	0.130040	($213,676)
19	5/25/2040	$4,566,589	$6,250,828	($1,684,240)	0.116107	($195,552)
20	5/25/2041	$4,680,753	$6,407,099	($1,726,346)	0.103667	($178,965)

A) INDICATED DISCOUNT TO FEE SIMPLE LAND VALUE	**($9,436,192)**
RESIDUAL LAND VALUE DURING REGULATORY AGREEMENT	
Fee Simple Land Value	$13,840,000
Indicated Discount to Fee Simple Land Value	-$9,436,192
B) RESIDUAL LAND VALUE DURING REGULATORY AGREEMENT	**$4,403,808**
RESIDUAL LAND VALUE SUBSEQUENT TO THE REGULATORY AGREEMENT	
Fee Simple Land Value	$13,840,000
Inflation Factor - 20 Years at 2.5% per year (1=0.025)^20	1.639
Future Land Value	$22,678,452
Discount Factor - 20 Years at 12% per year (1/(1+0.12)^20)	0.1037
C) PRESENT VALUE OF LAND SUBSEQUENT TO AGREEMENT	**$2,351,002**
Land Value During Regulatory Agreement	$4,403,808
Present Value of Land Subsequent to Agreement	$2,351,002
LAND VALUE AS ENCUMBERED	$6,754,810
ROUNDED	**$6,750,000**

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INTRODUCTION

The Analysis of Value Conclusions is the final step in the appraisal process and involves the weighing of the individual valuation techniques in relationship to their substantiation by market data, and the reliability and applicability of each valuation technique to the subject property.

The **Income Approach** to value was not utilized in this analysis. The elimination of this approach does not diminish the reliability of the value conclusion

The price per unit method is presented in the **Sales Comparison Approach**. There have been land sales of in the Seattle market which increases the validity of this approach. Recognizing the shifting market conditions, investors would typically give secondary weight to the Sales Comparison Approach in determining value.

The **Cost Approach** is not utilized in this analysis. The elimination of this approach does not diminish the reliability of the value conclusion.

PRESENTATION OF VALUE CONCLUSIONS

The following table summarizes my final opinion of the As Is Land Value (Unencumbered) and Land Value based on Hypothetical Condition As If Encumbered of the subject property's fee simple interest. Our opinion of value reflects current conditions and the likely actions of market participants as of the date of value. It is based on the available information gathered and provided to us, as presented in this report, and does not predict future performance. Changing market or property conditions can and likely will have an effect on the subject's value.

ANALYSIS OF VALUE CONCLUSIONS

VALUATION INDICES	VALUE
INTEREST APPRAISED	FEE SIMPLE
DATE OF VALUE	MAY 25, 2021
Sales Conclusion - Unencumbered	$13,840,000
Sales Conclusion - Hypothetical As If Encumbered	$6,750,000
Exposure Time	Six Months or Less
Marketing Period	Six Months or Less

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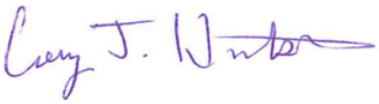
I certify that, to the best of my knowledge and belief:

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions of the signer are limited only by the reported assumptions and limiting conditions, and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- The signer of this report has no present or prospective interest in the property that is the subject of this report, and no personal interest with respect to the parties involved.
- Cory J. Hutsell, MAI has performed no services, as an appraiser or in any other capacity regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.
- The signer is not biased with respect to the property that is the subject of this report or to the parties involved with this assignment.
- The engagement in this assignment was not contingent upon developing or reporting predetermined results.
- The compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- The reported analysis, opinions, and conclusions were developed, and this report has been prepared, in conformity with the *Uniform Standards of Professional Appraisal Practice* and the *Code of Professional Ethics and Standards of Professional Appraisal* Practice of the Appraisal Institute.
- Cory J. Hutsell, MAI inspected the property that is the subject of this report. Cory J. Hutsell, MAI did not inspect the property that is the subject of this report.
- No one provided significant real property appraisal assistance to appraiser signing this certification.

The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.

As of the date of this report Cory J. Hutsell, MAI and Cory J. Hutsell, MAI completed the continuing education program for Designated Members of the Appraisal Institute.



May 28, 2021
Date

Cory J. Hutsell, MAI
Senior Valuation Specialist
Certified General Real Estate Appraiser
State of Washington License #1101851
+1 206 965 1136
cory.hutsell@colliers.com

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This appraisal is subject to the following assumptions and limiting conditions:

- The appraiser may or may not have been provided with a survey of the subject property. If further verification is required, a survey by a registered surveyor is advised.
- I assume no responsibility for matters legal in character, nor do we render any opinion as to title, which is assumed to be marketable. All existing liens, encumbrances, and assessments have been disregarded, unless otherwise noted, and the property is appraised as though free and clear, under responsible ownership, and competent management.
- The exhibits in this report are included to assist the reader in visualizing the property. I have made no survey of the property and assume no responsibility in connection with such matters.
- Unless otherwise noted herein, it is assumed that there are no encroachments, zoning, or restrictive violations existing in the subject property.
- The appraiser assumes no responsibility for determining if the property requires environmental approval by the appropriate governing agencies, nor if it is in violation thereof, unless otherwise noted herein.
- Information presented in this report has been obtained from reliable sources, and it is assumed that the information is accurate.
- This report shall be used for its intended purpose only, and by the party to whom it is addressed. Possession of this report does not include the right of publication.
- The appraiser may not be required to give testimony or to appear in court by reason of this appraisal, with reference to the property in question, unless prior arrangements have been made therefore.
- The statements of value and all conclusions shall apply as of the dates shown herein.
- There is no present or contemplated future interest in the property by the appraiser which is not specifically disclosed in this report.
- Without the written consent or approval of the author neither all, nor any part of, the contents of this report shall be conveyed to the public through advertising, public relations, news, sales, or other media. This applies particularly to value conclusions and to the identity of the appraiser and the firm with which the appraiser is connected.
- This report must be used in its entirety. Reliance on any portion of the report independent of others, may lead the reader to erroneous conclusions regarding the property values. Unless approval is provided by the author no portion of the report stands alone.
- The valuation stated herein assumes professional management and operation of the buildings throughout the lifetime of the improvements, with an adequate maintenance and repair program.
- The liability of Colliers International Valuation & Advisory Services, its principals, agents, and employees is limited to the client. Further, there is no accountability, obligation, or liability to any third party. If this report is placed in the hands of anyone other than the client, the client shall make such party aware of all limiting conditions and assumptions of the assignment and related discussions. The appraiser is in no way responsible for any costs incurred to discover or correct any deficiency in the property.
- The appraiser is not qualified to detect the presence of toxic or hazardous substances or materials which may influence or be associated with the property or any adjacent properties, has made no investigation or analysis as to the presence of such materials, and expressly disclaims any duty to note the degree of fault. Colliers International Valuation & Advisory Services and its principals, agents, employees, shall not be liable for any costs, expenses, assessments, or penalties, or diminution in value, property damage, or

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personal injury (including death) resulting from or otherwise attributable to toxic or hazardous substances or materials, including without limitation hazardous waste, asbestos material, formaldehyde, or any smoke, vapors, soot, fumes, acids, alkalis, toxic chemicals, liquids, solids or gasses, waste materials or other irritants, contaminants or pollutants.

› The appraiser assumes no responsibility for determining if the subject property complies with the *Americans with Disabilities Act* (*ADA*). Colliers International Valuation & Advisory Services, its principals, agents, and employees, shall not be liable for any costs, expenses, assessments, penalties or diminution in value resulting from non-compliance. This appraisal assumes that the subject meets an acceptable level of compliance with *ADA* standards; if the subject is not in compliance, the eventual renovation costs and/or penalties would negatively impact the present value of the subject. If the magnitude and time of the cost were known today, they would be reduced from the reported value conclusion.

› An on-site inspection of the subject property was conducted. No evidence of asbestos materials on-site was noted. A Phase 1 Environmental Assessment was not provided for this analysis. This analysis assumes that no asbestos or other hazardous materials are stored or found in or on the subject property. If evidence of hazardous materials of any kind occurs, the reader should seek qualified professional assistance. If hazardous materials are discovered and if future market conditions indicate an impact on value and increased perceived risk, a revision of the concluded values may be necessary.

› A detailed soils study was not provided for this analysis. The subject's soils and sub-soil conditions are assumed to be suitable based upon a visual inspection, which did not indicate evidence of excessive settling or unstable soils. No certification is made regarding the stability or suitability of the soil or sub-soil conditions.

› This analysis assumes that the financial information provided for this appraisal, including rent rolls and historical income and expense statements; accurately reflect the current and historical operations of the subject property.

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Engagement Letter
Purchase and Sale Agreement
Legal Description
Subject Data
Valuation Glossary
Qualifications of Appraiser
Qualifications of Colliers International Valuation & Advisory Services

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Colliers Valuation & Advisory Services

Professional Service Agreement

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Seattle, WA 98101
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April 22, 2021

Cory Hutsell, MAI
Valuation Services Director
Direct +1 206.965.1136
cory.hutsell@colliers.com

Jon Clarke
VP/Chief Lending Office
Enterprise Community Loan Fund, Inc.
2025 First Avenue, Suite 1250
Seattle, WA 98121
206.223.4516
jclarke@enterprisecommunity.org

RE: Appraisal of Land at 1601 E. Yesler Way, Seattle, WA

Dear Mr. Clarke:

Thank you for considering Colliers International Valuation & Advisory Services, LLC for the assignment identified in the below stated Professional Service Agreement. Please sign one copy of the agreement and return it to me, thereby indicating your authorization for us to proceed with this assignment and your acceptance of the attached Terms and Conditions.

PROFESSIONAL SERVICE AGREEMENT ("Agreement")	
Project	1601 E. Yesler Way
Location	1601 E. Yesler Way, Seattle, WA, Parcel Number 9826700565
Parties	Colliers International Valuation & Advisory Services, LLC ("CIVAS") and Enterprise Community Loan Fund, Inc. (herein at times referred to as "Client")
Intended User	The appraisal will be prepared for Enterprise Community Loan Fund, Inc. Intended users include the Client, WSHFC, and City of Seattle. No other users are intended.
Intended Use	The report to be performed under this Agreement ("Appraisal") is intended only for use in Mortgage Underwriting. The report is not intended for any other use.
Purpose	As Is Market Value, Value - Hypothetical As Encumbered Land
Type of Appraisal	CIVAS will produce an Appraisal Report in which the appraiser's analysis and conclusions will be summarized within this document.
Rights Appraised	Fee Simple
Date of Value	Date of inspection (or other date defined by appraiser)

Scope of Work	CIVAS and/or its designated affiliate will provide the Appraisal in accordance with USPAP, FIRREA, and the Code of Ethics and Certifications Standards of the Appraisal Institute and State Licensing Laws. CIVAS will research relevant market data and perform analysis to the extent necessary to produce credible appraisal results. Based on our discussions with the Client, the Client has requested the following valuation scenarios: › As Is › Value – Hypothetical As Encumbered Land CIVAS anticipates developing the following valuation approaches: › Land Value An exterior only observation of the subject property will be performed. **Please note if it's a requirement per the client's underwriting guidelines to analyze and report all approaches to value, this will be performed although some approaches may be limited in application.** The scope of work will be included in the Appraisal. A copy of the Assumptions and Limiting Conditions, which appear in the Appraisal, is available upon request.
Delivery	Appraisal: Delivered on or before May 28, 2021
Professional Fee	$5,500
Expenses	Fees do include all associated expenses
No. of Reports	No printed copies will be delivered to the client
Retainer	No retainer is required
Payment Terms	CIVAS will invoice Client for the Appraisal in its entirety at the delivery of the draft appraisal. Final payment is due and payable within five (5) business days upon delivery of the electronic copy of the Final Appraisal or within thirty (30) days of your receipt of our Draft Appraisal, whichever is sooner. If a Draft Appraisal is requested, the fee is considered earned upon delivery of our Draft Appraisal.
Acceptance Date	These specifications are subject to modification if this Agreement is not accepted within three (3) business days from the date of this letter.

Terms and Conditions

The attached Terms and Conditions and Specific Property Data Request are deemed a part of this Agreement as though set forth in full herein. The following is a list of information needed to begin and complete our analysis. The Client signing this Agreement or the party sending the specific property data certifies that all the information provided is accurate and complete as of the date of this request, and that any updates, revisions or additional relevant information that comes into control or possession of the Client prior to the date on which the Appraisal is delivered shall be provided to CIVAS immediately. Please forward with the Agreement or as soon as possible.

- Survey with Legal Description & Site Size
- Wetland Delineation Map (if applicable)
- Current County Property Tax Bill
- Individual Floor or Unit Plans
- Details on any Sale, Contract, or listing of the property in the past 3 years
- Copy of recent Appraisals or Market Studies
- Property Contact _____
- Title Report
- Engineering studies, soil tests or environmental assessments
- Existing Building or Improvement Plans
- Ground lease (if applicable)
- Details regarding the historical and future replacement schedule (i.e., carpets, appliances, cabinetry, laundry facilities, HVAC, etc.)

In addition to the items requested above, please forward any additional materials you would consider relevant in the analysis of the subject property.

Reliance Language – Lender Client

The Appraisal is for the sole use of the Client; however, Client may provide only complete, final copies of the Appraisal report in its entirety (but not component parts) to third parties who shall review such reports in connection with the stated Intended Use. CIVAS is not required to explain or testify as to appraisal results other than to respond to the Client for routine and customary questions. Please note that our consent to allow the Appraisal prepared by CIVAS or portions of such Appraisal, to become part of or be referenced in any public offering, the granting of such consent will be at our sole and absolute discretion and, if given, will be on condition that CIVAS will be provided with an Indemnification Agreement and/or Non-Reliance letter, in a form and content satisfactory to CIVAS, by a party satisfactory to CIVAS.

CIVAS does consent to your submission of the reports to rating agencies, loan participants or your accountants/auditors in its entirety (but not component parts) without the need to provide CIVAS with an Indemnification Agreement and/or Non-Reliance letter. CIVAS hereby expressly grants to Client the right to copy the Appraisal and distribute it to employees of Client.

If you have questions regarding the enclosed, please feel free to contact me. CIVAS appreciates this opportunity to be of service to you on this assignment and looks forward to serving you. If you have additional questions, please contact us.

I, **Jon Clarke**, agree to the above stated terms and authorize Colliers International Valuation & Advisory Services, LLC to prepare the above referenced appraisal.

_____ Date: 4/22/21

Jon Clarke
VP/Chief Lending Office
Enterprise Community Loan Fund, Inc.

Respectfully,

Colliers International Valuation & Advisory Services, LLC

Cory J. Hutsell, MAI
Valuation Services Director
Direct +1 206.965.1136
cory.hutsell@colliers.com

DocuSign Envelope ID: FE4958C9-6F09-48CB-8E25-811BBD0CCD5A

PURCHASE AND SALE AGREEMENT
(1601 East Yesler)

THIS PURCHASE AND SALE AGREEMENT (this "***Agreement***"), dated for reference purposes as of December 3, 2020 (the "***Effective Date***"), is executed by and between YESLER QOZB, L.L.C., a Washington limited liability company ("***Seller***"), and AFRICATOWN COMMUNITY LAND TRUST, a Washington non-profit corporation ("***Buyer***").

RECITALS

A. Seller is the owner of the following property (collectively referred to herein as the "***Property***"):

(1) That certain property formerly known as Keiro NW Rehabilitation & Care Center, located at 1601 E Yesler Way, Seattle, Washington, consisting of (a) the land legally described in **Exhibit A** attached hereto (the "***Land***"), and (b) all buildings, fixtures and other improvements located on the Land (the "***Improvements***") (the Land and the Improvements being sometimes collectively referred to herein as the "***Real Property***");

(2) Those items of equipment, supplies, furniture and personal property owned by Seller which are located on the Real Property at the time of Closing (the "***Personal Property***");

(3) All right, title and interest of Seller, as landlord, under the Mary's Place Lease (defined in Section 6.1(a) below);

B. Seller wishes to sell the Property to Buyer, and Buyer wishes to purchase the Property from Seller, subject to and upon the terms and conditions set forth herein.

AGREEMENTS

In consideration of the mutual promises and agreements set forth below, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties covenant and agree as follows:

ARTICLE 1

PURCHASE AND SALE OF THE PROPERTY

1.1 Purchase. Seller agrees to sell, convey and assign the Property to Buyer, and Buyer agrees to purchase the Property from Seller, subject to and upon the conditions set forth herein.

1.2 Purchase Price. The total purchase price (the "***Purchase Price***") for the Property shall be THIRTEEN MILLION, EIGHT HUNDRED FORTY THOUSAND DOLLARS ($13,840,000.00), payable as set forth below.

(a) Deposit. Within three business days of the Effective Date, Buyer shall deliver to First American Title Insurance Company by wire transfer (the "***Title Company***"), at the address set forth in Section 13.5: (a) TWENTY FIVE THOUSAND DOLLARS ($25,000.00) of earnest money (the "***Initial Deposit***") and an Earnest Money Promissory Note in the amount of SEVENTY FIVE THOUSAND DOLLARS ($75,000), which shall be converted to cash upon delivery of the Approval Notice (defined below). The form of the Earnest Money Promissory Note is attached hereto as **Exhibit B**. The Title Company shall place the Deposit in an insured, interest-bearing account for the benefit of Buyer. The Initial Deposit and cash deposited pursuant to the Earnest Money Promissory Note (collectively, the ***"Deposit"***) shall be nonrefundable to Buyer following expiration of the Inspection Period, except as otherwise specifically set forth in this Agreement, and all of the Deposit shall be applied as a credit toward payment of the Purchase Price at Closing. Upon delivery of the Approval Notice (as defined in Section 2.3(b), below) the Deposit shall be released to Seller.

(b) Balance. At Closing, subject to the prorations and adjustments provided for herein, the balance of the Purchase Price (i.e., the Purchase Price less the Deposit) shall be deposited by Buyer into escrow with Title Company, to be disbursed by Title Company to Seller at Closing.

1.3 Escrow. Title Company, by acceptance of any funds deposited by Buyer hereunder, agrees to hold such funds and disburse the same only in accordance with the terms and conditions of this Agreement. If Title Company is in doubt as to its duties or liabilities hereunder, it may continue to hold such funds until the parties mutually agree to the disbursement thereof, or until an order or judgment of a court of competent jurisdiction shall determine the rights of the parties hereto. Title Company is a depository only and shall not be liable for any loss, damage or cost including, but not limited to, attorneys' fees, which may be suffered by Seller or Buyer in connection with Title Company's action or inaction except those caused by Title Company's negligence or willful failure to perform its duties hereunder. In no circumstance shall Title Company be responsible or liable for the failure of any financial institution into which any funds deposited with Title Company have been deposited.

ARTICLE 2

INVESTIGATION OF THE PROPERTY

2.1 Prior Agreements. Seller and Buyer are parties to a Letter of Intent dated as of September 21, 2020, although not fully executed until September 24, 2020 (the "***LOI***"). The LOI is superseded and replaced in its entirety by this Agreement. Seller made or will make available certain materials related to the Property (collectively, "***Due Diligence Materials***"). Seller shall make available additional Due Diligence Materials that are reasonably requested by Buyer, if such materials are in Seller's possession or control without any additional cost or expense to Seller. All Due Diligence Materials provided by Seller are provided without representation or warranty. Buyer shall rely on its own due diligence review and inspection of the Property.

2.2 Buyer's Investigations.

(a) Buyer shall have until 5:00 p.m. Pacific Time on December 10, 2020 (the "***Inspection Period***"), to investigate and evaluate the Property and all matters relevant to its acquisition, use, ownership and operation. Buyer's right of investigation shall include, without limitation, the right to continue its review the Due Diligence Materials, and the right to have made, at Buyer's expense, any studies or inspections of the Property as Buyer may deem necessary or appropriate; provided, however, that all inspections or access to the Property shall be coordinated in advance with Seller (contact Eric Evans: eric.evans@shelterholdings.com or 425-495-0713), shall occur during normal business hours, upon not less than two Business Days' prior written notice to Seller, and Buyer shall not conduct or allow any physically intrusive testing of, on or under the Property without first obtaining Seller's written consent as to the timing and scope of work to be performed, which consent shall not be unreasonably withheld or delayed. Buyer shall not, in connection with its investigations, interfere with the tenant under the Mary's Place Lease, and shall comply with the terms of the Mary's Place Lease. Seller agrees to cooperate reasonably with any such investigations, inspections or studies made by or at Buyer's direction so long as such cooperation is at no material expense to Seller. Buyer shall restore the Property at Buyer's sole expense in a prompt and timely manner to its condition prior to the Buyer's studies or inspections of the Property. Buyer shall not act as Seller's agent in connection with such activities and has no authority to allow any liens to encumber the Property. Buyer shall not allow any liens to encumber the Property arising out of such activities, and shall indemnify and hold Seller harmless from and against any liens, costs, expenses (including attorney fees), claims, liabilities, and obligations arising in any way out of such activities by Buyer, as well as Buyer's employees, contractors and agents, except to the extent that such liens or encumbrances were caused by Seller's breach of its obligations or other wrongdoing. Buyer shall maintain commercial general liability insurance with respect to Buyer's activities on the Property as reasonably required by Seller. In the event of any termination of this Agreement for any reason other than Seller's default, Buyer shall deliver and assign to Seller all plans, studies, surveys, analyses, data and/or permits compiled or obtained by Buyer from third parties with respect to the Property (except for any appraisals, market studies or financial analyses) at no cost to Seller but without any representation or warranty. Buyer shall treat all information obtained by Buyer in connection with Buyer's due diligence hereunder as confidential and shall not disclose the same to third parties; provided, however, Buyer may disclose such information to parties such as Buyer's consultants, lenders, attorneys and investors. The provisions of this Section 2.2(a) shall survive any termination of this Agreement.

(b) Buyer has requested that Seller assign to Buyer at Closing any rights Seller holds to certain plans and other design work product created by Weinstein AU for the Property on behalf of Seller. Seller makes no representations or warranties about whether or to what extent such plans and work product are assignable. To the extent that such plans and work product are assignable and Weinstein AU consents to such assignment to Buyer, then Seller shall cooperate with Buyer to effect such assignment, provided that there is no cost, expense or liability to Seller and any such assignment is without representation or warranty of Seller.

2.3 Buyer shall, at all times during the term of this Agreement, maintain at its expense, with companies reasonably acceptable to Seller, (i) commercial general liability insurance on an occurrence basis with a combined single limit of not less than Two Million Dollars ($2,000,000),

(ii) automobile liability insurance with limits of not less than One Million Dollars ($1,000,000) per occurrence, and (iii) workmen's compensation insurance as may be required by law, under which Seller is named as an additional insured under the insurance policies referred to (i) and (ii) of this sentence above, and which insurance shall provide full coverage regarding all entries upon the Property by or on behalf of Buyer. The certificate shall require at least thirty (30) days' written notice to Seller prior to any termination of any such insurance. Buyer must provide Seller with a certificate evidencing the insurance required by this paragraph prior to any entry onto the Property.

(a) Seller has ordered a current title insurance commitment from the Title Company, including copies of all recorded exceptions to title referred to therein (collectively, the "***Title Commitment***"), reflecting title to the Property. Buyer, at Buyer's expense, may obtain a survey of the Property (the "***Survey***"). Buyer shall have until December 4, 2020 to advise Seller, in writing, of any objection to exceptions, requirements or other matters (each a "matter" for the purposes of this Section 2.3(a) and Section 6.2) set forth on the Title Commitment or the Survey. If Buyer objects to any such matters (collectively, the "***Disapproved Matters***"), Seller may (but shall have no obligation to) satisfy, cure, cause to be cured, or obtain title insurance insuring against the effect of (collectively, "***Cure***") the Disapproved Matters. Seller shall notify Buyer in writing within three (3) Business Days after receipt of Buyer's notice of Disapproved Matters whether Seller elects to Cure such matters, at its own expense. If Seller fails to timely deliver such notice to Buyer, Seller shall be deemed to have elected not to Cure any Disapproved Matters. If Seller notifies (or is deemed to have notified) Buyer that Seller has elected not to Cure any Disapproved Matter and if Buyer timely delivers the Approval Notice in accordance with Section 2.3(b), Buyer shall be deemed to have elected to proceed, taking title subject to any Disapproved Matters that Seller has elected (or been deemed to have elected) not to Cure. "***Permitted Exceptions***," as used hereafter, shall be those matters reflected in the Title Commitment other than: (i) Disapproved Matters that Seller agrees to Cure in accordance with this Section 2.3(a) or Section 6.2. If Seller elects to Cure any Disapproved Matter, whether pursuant to this Section or Section 6.2, and fails to do so by the Closing Date, Buyer may elect to waive such failure and proceed to Closing or to terminate this Agreement, and, in the event of termination for such reason, the Deposit shall be promptly returned to Buyer, and the parties shall be relieved of all further obligations hereunder, except for the Surviving Obligations.

(b) If, on or before the expiration of the Inspection Period, (i) Buyer gives Seller written notice setting forth Buyer's dissatisfaction with the Property for any reason (or for no reason), and states in such notice Buyer's election to terminate this Agreement, or (ii) Buyer fails to timely deliver the Approval Notice, then this Agreement shall terminate in which case the Initial Deposit and Earnest Money Promissory Note shall be promptly returned to Buyer without the necessity of further instruction from Seller and both parties shall be relieved from any further liability hereunder except for those obligations which expressly survive termination of this Agreement (the "***Surviving Obligations***"). If prior to the expiration of the Inspection Period, Buyer delivers to Seller a written notice stating Buyer's approval of the Property (the "***Approval Notice***"), then this Agreement shall remain in full force and effect in accordance with its terms, Buyer shall deliver the additional funds due pursuant to the Earnest Money Promissory Note as part of the Deposit to the Title Company, and the Deposit shall be nonrefundable to Buyer, except as set forth in this Agreement. Buyer's Approval Notice may not contain any conditions other than those expressly set forth herein and shall not serve to amend this Agreement, unless otherwise expressly agreed in writing by Seller.

2.4 Indemnity. Seller shall not be liable for any loss, damage or injury of any kind or character to any person, property or the Property arising from or in connection with any entry onto the Property by Buyer or any of Buyer's Representatives or any act or omission by Buyer or any of Buyer's Representatives. Buyer agrees to indemnify, protect, defend (with legal counsel reasonably acceptable to Seller) and hold harmless Seller, and the owners, employees, tenants, affiliates, agents, contractors and representatives of Seller (collectively, "***Seller Parties***") from any and all claims, demands, liabilities, losses, damages, liens, costs and expenses asserted against Seller Parties or the Property arising out of or resulting from: Buyer's investigations of or entry onto the Property prior to Closing and to pay Seller all costs and expenses, including reasonable attorneys' fees and expenses, incurred in defending any such matter; provided, however, that this indemnity shall not extend to and in no event shall Buyer be liable to Seller for (i) the mere discovery of any pre-existing conditions on or about the Property, unless discovery of same resulted from Buyer's investigations that were not in compliance with the terms and conditions of this Agreement, or (ii) to the extent that such matter resulted from Seller's breach of its obligations or other wrongdoing. The provisions of this Section 2.4 shall survive any termination of this Agreement.

2.5 Appraisal. Until January 4, 2021 ("Appraisal Deadline"), if an independent third party real estate appraiser determines that the fair market value of the Property is less than the Purchase Price, Buyer shall have the right to terminate this Agreement and receive a refund of the Deposit and any extension fees paid to Seller. Any such termination by Buyer must be delivered to Seller in writing on or before the Appraisal Deadline. Buyer will provide a complete and final copy of such appraisal if it is made available to Buyer. If Buyer cannot obtain a copy of such appraisal, Buyer will provide a statement from its lender confirming the appraised fair market value of the Property is less than the Purchase Price.

ARTICLE 3

SECTION 1031 EXCHANGE

Buyer and Seller agree that, at either party's election, this transaction shall be structured as an exchange of like-kind properties under Section 1031 of the Internal Revenue Code and the regulations and proposed regulations thereunder. The party so electing shall be known as the "***Electing Party***", and the other party shall be known as the "***Non-Electing Party***". The parties agree that if either party wishes to make such election, it must notify the other party thereof prior to expiration of the Inspection Period. If the Electing Party so elects, the Non-Electing Party shall cooperate with the Electing Party; it being understood, however, that the Non-Electing Party shall not be required to take title to any other property as part of the Section 1031 exchange or alter the Closing Date. The Electing Party shall in all events be responsible for all costs and expenses related to the Section 1031 exchange and shall indemnify, defend and hold harmless the Non-Electing Party from and against any and all liability, claims, damages and expenses (including reasonable attorneys' fees and costs but excluding any attorneys' fees and expenses incurred by the Non-Electing Party in connection with its review of the documents reasonably necessary to effect the Electing Party's exchange) actually incurred by the Non-Electing Party and arising out of such Section 1031 exchange.

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ARTICLE 4

SELLER'S REPRESENTATIONS AND WARRANTIES

Seller represents, warrants and covenants to Buyer as follows as of the Effective Date and the Closing Date:

4.1 Authority. Seller is a limited liability company duly organized, validly existing and in good standing under the laws of the State of Washington. Seller has the full right and authority to enter into this Agreement and consummate the transactions contemplated by this Agreement. All requisite action has been taken by Seller in connection with the execution of this Agreement, the instruments referenced herein, and the consummation of the transactions contemplated hereby.

4.2 Consents; Binding Obligations. No third party approval or consent is required for Seller to enter into this Agreement or to consummate the transactions contemplated hereby. This Agreement and all documents required hereby to be executed by Seller are and shall be valid, legally binding obligations of and enforceable against Seller in accordance with their terms.

4.3 No Bankruptcy Proceedings. No bankruptcy, insolvency, rearrangement or similar action or proceeding, whether voluntary or involuntary, is pending or (to Seller's Knowledge) threatened against Seller, and Seller has no intention of filing or commencing any such action or proceeding.

4.4 FIRPTA. Seller is not a foreign person as defined in Section 1445 of the Internal Revenue Code.

4.5 No Other Representations. With the sole exception of the representations, warranties and indemnities set forth in the documents to be delivered by Seller at Closing or expressly set forth in this Agreement (collectively, "***Seller's Representations***"), this Agreement is made without representation or warranty of any kind by Seller. With the sole exception of the Seller's Representations, Seller makes no representation or warranty, whether express or implied, of any kind with regard to the physical condition of the Property or any component thereof, with regard to any restrictions, requirements, costs or constraints that may be associated with the Property, or with regard to the suitability of the Property for Buyer's purposes, it being the parties' express understanding and agreement that Buyer shall fully inspect the Property and all aspects thereof during the Inspection Period and prior to Closing, and that Buyer will rely upon its own inspection in determining the physical condition and other features of the Property, including but not limited to the condition of the soil, subsoil, groundwater or surface water, and including the structural condition of improvements in, on or to the Property, or as to the presence, use, discharge, spill, storage, generation, migration, handling, recycling, processing, treatment, disposal, release or threat of release of any regulated materials at the Property, or as to any zoning laws, codes, permits, or other laws, or the availability or existence of any water, sewer or other utilities (public or private), any restrictions, requirements, costs or constraints that may be associated with the Property, and whether the Property is suitable for Buyer's intended purposes. No person acting on behalf of Seller is authorized to make, and by execution hereof Buyer acknowledges that no such person has made, any representation, warranty, guaranty or promise, whether oral or written, except as set forth in this Agreement; and no such statement, agreement, representation or promise

made by any such person which is not contained in this Agreement shall be valid or binding upon Seller. WITH THE SOLE EXCEPTION OF THE SELLER'S REPRESENTATIONS IN THIS AGREEMENT, BUYER WILL ACQUIRE THE PROPERTY IN "AS IS" AND "WITH ALL FAULTS" CONDITION, WITH NO RIGHT OF SETOFF OR REDUCTION IN THE PURCHASE PRICE, AND SUCH SALE SHALL BE WITHOUT REPRESENTATION OR WARRANTY OF ANY KIND, INCLUDING, WITHOUT LIMITATION, WARRANTY OF INCOME, POTENTIAL, OPERATING EXPENSES, USES, MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, AND SELLER DOES HEREBY DISCLAIM AND RENOUNCE ANY SUCH REPRESENTATION OR WARRANTY. Without limiting the generality of the foregoing, Buyer, for itself and its successors and assigns, releases Seller and Seller's agents, employees, shareholders, directors, officers, brokers, contractors and representatives from, and waives any and all causes of action or claims against any of such persons for, (a) any and all liability attributable to any physical condition of or at the Property, including, without limitation, the presence on, under or about the Property of any Hazardous Materials; and (b) any and all liability resulting from the failure of the Property to comply with any applicable laws, including, without limitation, any Environmental Law except to the extent that Seller had actual knowledge of an Environmental Law violation which was not disclosed to Buyer or included in the Due Diligence Materials. . As used in this Agreement, "***Hazardous Materials***" shall mean any hazardous or toxic substances, materials or wastes, defined or regulated as such in or under any Environmental Law, including, without limitation, asbestos, gasoline and any other petroleum products (including crude oil or any fraction thereof), polychlorinated biphenyls and urea-formaldehyde insulation. As used in this Agreement, "***Environmental Law***" shall mean any and all federal, state, local or municipal laws, rules, orders, regulations, statutes, ordinances, codes, decrees or requirements of any governmental authority or requirements of law (including common law) relating to or imposing liability or standards of conduct concerning the protection of human health, the environment or natural resources, or to releases or threatened releases of Hazardous Materials into the environment, including, without limitation, ambient air, surface water, groundwater or land, or otherwise relating to the manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of Hazardous Materials, as now or hereafter in effect.

4.6 No Personal Liability. Seller's employees and agents shall have no personal liability with respect to any term or provision in this Agreement including, without limitation, the representations and warranties set forth herein.

ARTICLE 5
BUYER'S REPRESENTATIONS AND WARRANTIES

Buyer represents and warrants to Seller as follows:

5.1 Authority. Buyer is a Washington non-profit corporation duly organized, validly existing and in good standing under the laws of the State of Washington. Buyer has the full right and authority to enter into this Agreement and consummate the transactions contemplated by this Agreement. All requisite action has been taken by Buyer in connection with the execution of this Agreement, the instruments referenced herein, and the consummation of the transactions contemplated hereby.

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5.2 Consents; Binding Obligations. No third party approval or consent is required for Buyer to enter into this Agreement or to consummate the transactions contemplated hereby. This Agreement and all documents required hereby to be executed by Buyer are and shall be valid, legally binding obligations of and enforceable against Buyer in accordance with their terms.

5.3 No Conflicts. Neither the execution and delivery of this Agreement nor the consummation of the transactions contemplated hereby will: (a) conflict with or result in a breach of any law, regulation, writ, injunction or decree of any court or governmental instrumentality applicable to Buyer; or (b) constitute a breach of any agreement to which Buyer is a party or by which Buyer is bound.

5.4 Litigation. To Buyer's knowledge, there is no claim, litigation, proceeding or governmental investigation pending or threatened against or relating to Buyer, or the transactions contemplated by this Agreement, or any material dispute arising out of any contract or commitment entered into regarding the Property.

5.5 OFAC. Neither Buyer nor any of its affiliates, nor any of their respective partners, members, shareholder or other equity owners, and none of their respective employees, officers, directors, representatives or agents is, nor will they become, a person or entity with whom U.S. persons or entities are restricted from doing business under regulations of the OFAC (including those named on OFAC's Specially Designated Nationals and Blocked Persons List) or under any statute, executive order (including the September 24, 2001, Executive Order Blocking Property and Prohibiting Transactions with Persons Who Commit, Threaten to Commit, or Support Terrorism), or other governmental action and is not and will not engage in any dealings or transactions or be otherwise associated with such persons or entities.

5.6 No Use of the Property Prior to Closing. Buyer acknowledges that, except as set forth in Section 2.2, for purposes of inspections, Buyer shall not have access to or use of the Property in advance of Closing. Neither Buyer nor any of its affiliates, nor any of their respective partners, members, shareholder or other equity owners, and none of their respective employees, officers, directors, representatives or agents will attempt to enter onto or use the Property without written permission of Seller.

5.7 No Other Representations. With the sole exception of the representations set forth in this Article 5, this Agreement is made without representation or warranty of any kind by Buyer.

5.8 Waiver of Seller Disclosure Statement or Form 17. Buyer hereby unconditionally waives its right to receive any seller disclosure statement required by RCW 64.06, *et seq.*, to the extent such waiver is not prohibited by RCW 64.06, *et seq*.

ARTICLE 6

SELLER'S UNDERTAKINGS PENDING CLOSING

6.1 Operation of Property. Seller covenants with Buyer that, so long as this Agreement remains in effect:

(a) The Property is currently subject to a lease agreement with Mary's Place dated as of April 3, 2020, as amended by that First Amendment to Lease Agreement and Right to Reinstate dated as of November 5, 2020 ***("Mary's Place Lease")***. .

(b) Seller shall maintain in effect all insurance policies now maintained on the Property, up to and including the Closing Date.

(c) Seller may allow Keiro NW or individuals associated with Keiro NW to remove certain items from the Property prior to Closing, including without limitation landscaping improvements, plaques or other memorial-type items. Any such removal shall not cause damage to the building located on the Property.

(d) Seller has some exterior fencing in place on the Property, which will be removed by a fencing company within seven (7) days following the Closing, at Seller's cost and expense. Such removal shall not cause any damage to the Property.

6.2 Additional Title Matters. If any update of the Title Commitment or Survey received by Buyer after the expiration of the Inspection Period shows any additional title or survey matters pertaining to standard coverage matters that (i) materially adversely affect the value of the Property, and (ii) were neither referenced in the Due Diligence Materials nor otherwise known to Buyer, then Buyer shall have three (3) Business Days to object to any such matters. Seller shall notify Buyer in writing within three (3) Business Days after receipt of notice from Buyer objecting to any such additional matters (also "***Disapproved Matters***") whether Seller elects to Cure any such additional Disapproved Matters. If Seller fails to timely deliver such notice to Buyer, Seller shall be deemed to have elected not to Cure any such additional Disapproved Matter. If Seller notifies (or is deemed to have notified) Buyer that Seller has elected not to Cure any additional Disapproved Matter, then Buyer shall notify Seller within two (2) Business Days after receipt of such notice (or deemed notice) whether Buyer elects to terminate this Agreement or to proceed, taking title subject to such additional Disapproved Matters that Seller has elected (or been deemed to have elected) not to Cure. If Buyer fails to timely deliver such notice, Buyer shall be deemed to have elected to proceed, taking title subject to such additional Disapproved Matters that Seller has elected (or been deemed to have elected) not to Cure. If Buyer elects (or is deemed to have elected) to take title subject to any additional matter under this Section 6.2, such additional matter shall become a Permitted Exception and the Purchase Price shall not be reduced. If Buyer elects to terminate this Agreement under this Section 6.2, then the Deposit shall be returned to Buyer and the parties shall be relieved of any further obligations hereunder except for the Surviving Obligations.

ARTICLE 7

CONDITIONS TO CLOSING

7.1 Performance of Obligations. Unless waived by the party entitled to the benefit thereof, the obligations of either party to close under this Agreement shall be subject to the satisfaction of the conditions that all representations and warranties of the other party contained in this Agreement shall be true and correct in all material respects as of the Closing and that the other

party shall have performed all covenants, agreements and obligations required to be performed by it under this Agreement.

7.2 Title Policy. It shall be a condition to Buyer's obligation to close under this Agreement that Title Company shall have agreed to issue to Buyer an ALTA standard form owner's policy of title insurance, insuring title to the Real Property in Buyer in the amount of the Purchase Price, subject only to the Permitted Exceptions (the "***Title Policy***").

7.3 Notice and Cure. If any condition to a party's obligation to close hereunder has not been satisfied by the Closing Date, such party shall notify the other party thereof, whereupon the other party shall have three (3) Business Days to attempt to cause such condition to be satisfied.

ARTICLE 8

CLOSING

8.1 Date of Closing. The closing of the purchase (the "***Closing***") shall take place in the offices of Title Company. Subject to Sections 10.1 or 11.2 below, the date of Closing (the "***Closing Date***") shall be January 19, 2021; provided, however, that Buyer may extend the Closing Date by up to three (3) consecutive thirty (30) day periods by: (1) notifying Seller of such initial extension in Buyer's Approval Notice and providing written notice to Seller of any subsequent extension at least 14 days prior to the Closing Date, and (2) payment of an extension fee to Seller in the amount of TWENTY FIVE THOUSAND DOLLARS ($25,000.00) for each extension, which shall be non-refundable and immediately released to Seller. The first extension fee shall be applicable to the Purchase Price, but any subsequent extension fees are not applicable to the Purchase Price. Failure to pay the extension fee within 3 business days after written notice of such extension shall render the notice of extension null and void.

8.2 Deliveries. At Closing, the following shall occur through Title Company:

(a) Seller shall execute and deliver to Buyer a duly executed and acknowledged Bargain and Sale Deed (the "***Deed***"), conveying to Buyer all of Seller's right, title and interest in and to the Real Property, subject only to the Permitted Exceptions.

(b) Seller shall execute and deliver to Buyer a Bill of Sale, in the form attached hereto as **Exhibit C**, conveying the Personal Property to Buyer.

(c) Seller and Buyer shall execute and deliver two duplicate originals of an assignment and assumption of lease, in the form attached hereto as **Exhibit D**, pursuant to which Seller shall assign to Buyer, and Buyer shall assume, all of Seller's rights and obligations under the Mary's Place Lease arising from and after the Closing Date.

(d) Seller shall execute and deliver to Buyer and Title Company an affidavit that evidences that Seller is exempt from the withholding requirements of Section 1445 of the Internal Revenue Code.

(e) Seller shall execute and deliver to Title Company such affidavits and agreements concerning parties in possession, mechanics' liens, gap coverage and other title matters

in forms acceptable to Seller as may be reasonably required by Title Company in order to issue the Title Policy; provided, however, such affidavits and agreements shall not require any expense and shall not create any liability for Seller.

(f) Seller and Buyer shall execute and deliver any applicable real estate excise or transfer tax, real estate excise tax affidavit or other transfer declarations, ownership information or other disclosure forms or reports required under the laws of the State of Washington or the United States.

(g) Seller shall deliver to Buyer one labeled set of all master keys to the Improvements that Seller has in its possession.

(h) Seller and Buyer shall execute and deliver settlement statements to reflect the credits, prorations and adjustments contemplated by or specifically provided for in this Agreement.

(i) Buyer shall pay to Seller the Purchase Price as provided in Section 1.2 hereof, subject to the adjustments described in Article 9 hereof.

(j) Seller shall deliver possession of the Property to Buyer, subject to the Mary's Place Lease.

(k) Seller and Buyer shall execute, acknowledge and deliver, in a timely manner, or cause to be executed, acknowledged and delivered, any and all other instruments and documents as may be reasonably necessary in order to complete the transaction herein provided and to carry out the intent and purposes of this Agreement.

ARTICLE 9

ADJUSTMENTS AND PRORATIONS

9.1 Closing Adjustments. The cash due at Closing pursuant to Section 1.2(a) hereof shall be subject to adjustment as of the Closing Date in accordance with the following provisions:

(a) Taxes. Real and personal property taxes on the Property shall be prorated as of 12:01 a.m. on the Closing Date based on the most recent tax information available from the King County assessor's office. If, after Closing, additional property taxes are assessed or become known and if all or a portion of those taxes relate to the period before Closing, then the parties agree to prorate the additional taxes, and Seller will promptly pay to Buyer any portion which relates to the period prior to Closing.

(b) Assessments. If, at the time of the Closing, the Property or any part thereof shall be or shall have been affected by an assessment or assessments levied or imposed for improvements of a capital nature, then, for the purposes of this Agreement, all installments of any such special assessment shall be prorated between the Seller and Buyer at Closing.

(c) Insurance. No insurance policies of Seller are to be transferred to Buyer, and no apportionment of the premiums therefor shall be made. Buyer acknowledges that it shall be responsible for securing its own insurance for the Property.

(d) Utilities. Subject to the terms of the Mary's Place Lease, Seller shall be responsible for the payment of all utility charges incurred prior to the Closing Date. Seller shall be entitled to a credit at Closing for the amount of any refundable deposits that Seller has made with any of the utility services or companies servicing the Property. Seller and Buyer shall arrange with all utility services and companies servicing the Property to have new accounts started in the name of Buyer beginning at 12:01 a.m. on the Closing Date. Utilities shall be equitably prorated, giving effect to applicable Mary's Place Lease terms, in accordance with the terms of this section.

(e) Closing Costs. Seller shall pay the standard coverage portion of the premium for the Title Policy, the real estate excise tax imposed on the sale of the Property, and one-half (1/2) of the cost of any closing or escrow fee charged by Title Company. Buyer shall pay the extended coverage portion of the premium for the Title Policy, if applicable, any endorsements that Buyer obtains, the sales or use tax on transfer of the Personal Property, the cost of recording the Deed, and one-half (1/2) of the cost of any closing or escrow fee charged by Title Company. Each party shall pay its own attorneys' fees.

ARTICLE 10

CASUALTY

10.1 Notice and Estimate of Casualty. In the event that any of the Real Property should be damaged by any casualty prior to Closing, Seller shall promptly give Buyer written notice of such occurrence, and as soon thereafter as practicable shall provide Buyer with an estimate made by an architect, engineer or contractor selected by Seller of the cost and amount of time required to repair such damage. The Closing Date shall become the later of the date set forth in Section 8.1 and 25 days after Buyer's receipt of such estimate. If Buyer does not terminate this Agreement pursuant to Section10.3 then Buyer shall be given an opportunity to review and approve any construction contract which Seller proposes to enter into to have such damage repaired and Buyer shall not unreasonably withhold or delay such approval.

10.2 Repair of Damage. Seller shall have no obligation to repair any damage to the Property.

10.3 Buyer Termination Right. If the estimated cost of such repairs is $100,000 or more, then Buyer may elect to terminate this Agreement upon notice to Seller within 15 days after Buyer's receipt of the estimate, in which event the Deposit shall be returned to Buyer and both parties shall be relieved of any further obligations hereunder except for the Surviving Obligations; however, if Buyer does not elect to so terminate this Agreement, then this Agreement shall remain in full force and effect and the parties shall proceed in accordance with the sections above. If the estimated cost of such repairs is less than $100,000.00, then this Agreement shall remain in full force and effect and the parties shall proceed in accordance with the sections above.

ARTICLE 11

CONDEMNATION

11.1 Notice of Condemnation. If prior to Closing, Seller learns of any actual or threatened taking in condemnation or by eminent domain (or a sale in lieu thereof) of all or any portion of the Real Property, Seller will notify Buyer promptly thereof.

11.2 Termination. Other than with respect to an "Immaterial Taking" (as defined below), any actual or threatened taking or condemnation for any public or quasi-public purpose or use by any competent authority in appropriate proceedings or by any right of eminent domain of all or any part of the Real Property between the date of this Agreement and the Closing Date shall, at Buyer's option, cause a termination of this Agreement. The Closing Date shall become the later of the date set forth in Section 8.1 and 25 days after Buyer's receipt of Seller's notice given under Section 11.1. The election to terminate provided hereby must be exercised by Buyer (or will be deemed to have been waived) by notice to Seller to that effect given within 10 days following Buyer's receipt of Seller's notice pursuant to Section 11.1 above. Upon delivery of such termination notice, the Deposit shall be returned to Buyer and both parties shall be relieved of any further obligations hereunder except for the Surviving Obligations. If Buyer shall not elect to so terminate this Agreement, or in the event of an Immaterial Taking, Seller shall be relieved of all obligations under this Agreement with respect to the portion of the Real Property so taken or condemned, but Buyer will be entitled to receive all proceeds of any such taking or condemnation, and Seller agrees that it will not make any adjustment or settlement of any such taking or condemnation proceeding without Buyer's consent and will take at Closing all action necessary to assign its entire interest in such award to Buyer. Any taking or condemnation for any public or quasi-public purpose or use which does not affect access, reduce parking or take any part of the Improvements or required easements thereto shall be deemed an "***Immaterial Taking***".

ARTICLE 12

REMEDIES

12.1 Breach by Seller. Time is of the essence of Seller's obligations hereunder. If Seller fails to perform any of its obligations hereunder, or breaches any representation or warranty hereunder and such failure to perform or breach continues uncured for three (3) Business Days after Seller receives notice thereof from Buyer, Buyer may, as its sole and exclusive remedy, either (a) terminate this Agreement, in which event the Deposit shall be returned by Buyer, or (b) seek specific performance; provided, however, that if the non-performance or breach is of such a nature that it may not be reasonably cured within such three (3) Business Day Period, then Seller shall have up to fifteen (15) Business Days after Seller receives notice thereof from Buyer to cure the same before Buyer may exercise any of its remedies described above. If Buyer does not file suit seeking specific performance within sixty (60) days of sending a notice of breach to Seller, or if Buyer requests the return of the Deposit, Buyer shall be deemed to have elected option (a) above. Under no circumstances may Buyer seek or be entitled to recover any special, consequential, punitive, speculative or indirect damages, all of which Buyer specifically waives, from Seller or any breach by Seller of its obligations under this Agreement. Buyer specifically waives the right to file any lis pendens of any lien against the Property unless and until it has irrevocably elected

to seek specific performance of this Agreement and has filed an action seeking such remedy within sixty (60) days of the Closing Date.

12.2 Breach by Buyer. Time is of the essence of Buyer's obligations hereunder. If Buyer fails to perform its obligations hereunder to purchase the Property or breaches any representation or warranty hereunder and such failure to perform or breach continues uncured for three (3) Business Days after Buyer receives notice thereof from Seller, Seller, as its sole and exclusive remedy, shall be entitled to terminate this Agreement and have the Deposit paid to Seller as liquidated damages. The parties hereby agree that the amount of the Deposit is a fair and reasonable estimate of the total detriment that Seller would suffer in the event of Buyer's default and failure to duly complete the acquisition hereunder. Buyer and Seller agree that it would be impractical and extremely difficult to estimate the damages which Seller would suffer in the event of Buyer's default and failure to complete the purchase of the Property in accordance with the terms of this Agreement. The parties further agree that the Deposit shall be retained by Seller as Seller's sole remedy in the event that Buyer fails to close this transaction in breach of Buyer's obligations hereunder. Except for the foregoing and any of Seller's rights arising from Buyer's indemnification obligations contained in this Agreement and other provisions that expressly survive such termination, Seller hereby waives any and all claims, actions and rights against Buyer, including, without limitation, any action for specific performance or damages, provided, however, that Buyer agrees to pay any and all escrow cancellation fees.

12.3 No Protest. If this transaction fails to close for any reason other than Seller default, Buyer agrees that neither Buyer nor any of its affiliates, principals, board members, employees, agents or its related organizations will protest, interfere with or impede any future sale or development of the Property, which includes but is not limited to filing of any appeal of a development permit or approval. This provision shall survive termination of this Agreement. This provision is not intended to restrict any party from offering comment on a development proposal to the City of Seattle in the City's normal process for public input.

12.4 Attorneys' Fees. If any legal proceeding is commenced to enforce or interpret any provision of this Agreement, the substantially prevailing party in such suit shall be entitled to recover, in addition to all other remedies or damages, its reasonable attorneys' fees and expenses. The provisions of this Section 12.4 shall survive any termination of this Agreement.

ARTICLE 13

MISCELLANEOUS

13.1 Brokers. Seller and Buyer each represent and warrant to the other that it has not negotiated or dealt with any real estate broker, salesperson or agent in connection with the making of this Agreement or the transaction contemplated hereby, or incurred any liability for the payment of any brokerage fee, commission or compensation to any such broker, salesperson or agent. Seller and Buyer agree to save and hold each other, and their respective shareholders, directors, officers, employees, agents, successors and assigns, free, clear and harmless from any claim, cost or expense, including reasonable attorneys' fees, for or in connection with any breach of the representation and warranty made by each respective party in this Section and any claim for commissions or compensation claimed or asserted by or through each respective party in

connection with the transaction contemplated herein. The provisions of this Section 13.1 shall survive any termination of this Agreement.

13.2 Dates. If any date set forth in this Agreement for the delivery of any document or the happening of any event should, under the terms hereof, fall on a weekend or federal or state holiday, then such date shall be automatically extended to the next succeeding weekday that is not a federal or state holiday (a "***Business Day***").

13.3 Governing Law. This Agreement shall be construed and enforced in accordance with the laws of the State of Washington without regard to its conflicts of law provisions.

13.4 Venue. Venue for any dispute relating to this Agreement shall be in a court of competent jurisdiction located in King County, Washington.

13.5 Notices. All notices, demands or other communications required or permitted to be given hereunder shall be in writing and any and all such items shall be deemed to have been duly delivered upon personal delivery; or as of the immediately following Business Day after deposit for overnight delivery with Federal Express or a similar overnight courier service, addressed as follows; or at the time delivery, as indicated by an electronically-generated delivery confirmation, after transmitting by email to the email addresses set forth below:

If to Seller:

Yesler QOZB, L.L.C.
11624 SE 5th Street, Suite 210
Bellevue, WA 98005
Attention: Tia Heim
Email: tia.heim@shelterholdings.com

with a copy to:

Cairncross & Hempelmann
524 Second Avenue, Suite 500
Seattle, WA 98105
Attention: Anna Revelle Stock
Email: astock@cairncross.com

If to Buyer:

Africatown Community Land Trust
1437 S Jackson Street, Suite 100
Seattle, WA 98144
Attention: Muammar Hermanstyne
Email: mhermanstyne@gmail.com

with a copy to:

Century Law Firm
2155 112th Ave NE
Bellevue, WA 98004
Attention: Constance Proctor
Email: connie@wecentury.com

If to Title Company:

First American Title Insurance Company
920 12th Avenue, Suite 1200
Seattle, WA 98104
Attention: Laura Lau
Email: llau@firstam.com

Any telephone numbers provided above are provided for convenience only, and oral communications shall in no event constitute notice hereunder. Any address fixed pursuant to the foregoing may be changed by the addressee by notice given pursuant to this Section.

13.6 Headings. The paragraph headings which appear in some of the Sections of this Agreement are for purposes of convenience and reference and are not in any sense to be construed as modifying the Sections in which they appear.

13.7 Incorporation. The Recitals and Exhibits hereto form a part of this Agreement and are incorporated herein by this reference.

13.8 Confidentiality. Each party shall hold in strict confidence all documents and information concerning the other and its business and properties and if the transaction contemplated hereby should not close, such confidence shall be maintained, and all such documents and information in whatever media provided and in a party's possession or control shall immediately thereafter be returned to the party originally furnishing the same. No public disclosure, either written or oral, of the existence or terms of this Agreement shall be made by either Buyer or Seller without the consent of the other. The foregoing provision shall not, however, be construed to prohibit any party from making any disclosures to any governmental authority which it is required to make by law or to prohibit any party from disclosing to its investors, lenders, escrow officers, title insurer, accountants, consultants, attorneys and other parties involved in completing the purchase and sale of the Property such terms of this transaction as are customarily disclosed to them in connection with similar acquisitions. If the Agreement is terminated for any reason other than a Seller default, Buyer shall promptly return all Due Diligence Materials to Seller. The provisions of this Section 13.8 shall survive any termination of this Agreement.

13.9 Review by Counsel. The parties acknowledge that each party and its counsel have reviewed and approved this Agreement, and the parties hereby agree that the normal rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this Agreement or any amendments or exhibits thereto.

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13.10 Severability. If any provision of this Agreement is held to be illegal, invalid or unenforceable under present or future laws, such provision shall be fully severable; this Agreement shall be construed and enforced as if such illegal, invalid or unenforceable provision had never compromised a part of this Agreement; and the remaining provisions of this Agreement shall remain in full force and effect and shall not be affected by the illegal, invalid or unenforceable provision or by its severance from this Agreement.

13.11 Assignment. This Agreement shall not be assignable without the prior written consent of Seller, which may be granted in its sole and absolute discretion. Notwithstanding the foregoing, Buyer may assign this Agreement to an entity in which it holds a controlling interest subject to notifying Seller of such assignment. Such assignment shall not relieve Buyer of its obligations hereunder, and such notice of assignment must be given at least 7 days prior to the Closing Date. Any such assignment shall not relieve Buyer of any liability under this Agreement from and after such assignment.

13.12 Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the parties and their respective successors and assigns.

13.13 No Recording. Neither Seller nor Buyer shall record this Agreement or any memorandum hereof in the real property records of the county in which the Real Property is located.

13.14 Counterparts; Delivery. This Agreement may be executed in counterparts, a complete set of which shall be deemed a single instrument. Executed signature pages sent by email PDF shall be effective for purposes of executing and delivering this Agreement.

SECTION 14

ENTIRE AGREEMENT

No change or modification of this Agreement shall be valid unless the same is in writing and signed by the parties hereto. No waiver of any of the provisions of this Agreement shall be valid unless in writing and signed by the party against whom it is sought to be enforced. This Agreement contains the entire agreement between the parties relating to the purchase and sale of the Property and supersedes all prior understandings and agreements between the parties, including without limitation the Letter of Intent. There are no promises, agreements, conditions, undertakings, warranties or representations, oral or written, express or implied, between the parties other than as herein set forth. Except as otherwise expressly set forth herein, all provisions and agreements of the parties in this Agreement shall terminate upon Closing.

Remainder of page intentionally left blank; separate signature page attached.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed and effective as of the Effective Date.

SELLER:

YESLER QOZB, LLC, A WASHINGTON LIMITED LIABILITY COMPANY

By: _____
Name: Derek Straight
Its: Authorized Agent

BUYER:

AFRICATOWN COMMUNITY LAND TRUST, A WASHINGTON NON-PROFIT CORPORATION

DocuSigned by:
By: K. Wyking Garrett
999C03E6B4C7400...
Name: K. Wyking Garrett
Its: President & CEO

The undersigned joins in the execution of this Agreement in order to acknowledge its agreement to act as escrow agent under the terms of this Agreement.

TITLE COMPANY:

First American Title Insurance Company

DocuSigned by:
By: Laura Lau
BF994A123E874A1...
Name: Laura Lau
Title: Sr Commercial Escrow Officer LPO

DocuSign Envelope ID: FE4958C9-6F09-48CB-8E25-811BBD0CCD5A

EXHIBIT A

LEGAL DESCRIPTION

Lots 1 through 6, inclusive, Block 15, H.L. Yesler's 1st Addition to the City of Seattle, according to the plat thereof recorded in Volume 1 of Plats, page 215, in King County, Washington;

AND

Lots 1 through 6, inclusive, Block 3, Hill Tract Addition to the City of Seattle, according to the plat thereof recorded in Volume 8 of Plats, page 42, in King County, Washington.

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EXHIBIT B

EARNEST MONEY PROMISSORY NOTE

$75,000.00 _____, 2020

FOR VALUE RECEIVED, the undersigned ("**Maker**") promises to pay to the order of First American Title Insurance Company, the sum of Seventy Five Thousand and 00/100 Dollars ($75,000.00) due and payable upon Buyer's delivery to Seller of the Approval Notice, all as defined and set forth in that certain Purchase and Sale Agreement dated and effective as of November _____, 2020, by and between YESLER QOZB, LLC, a Washington limited liability company, as Seller, and AFRICATOWN COMMUNITY LAND TRUST, a Washington non-profit corporation, the undersigned, as Buyer, the terms and conditions of which are incorporated herein by this reference.

If the Approval Notice is not timely delivered on or prior to the end of the Inspection Period, then this Earnest Money Note shall be void and of no force and effect.

If this Note shall be placed in the hands of an attorney for collection or it suit shall be brought to collect this Note, the undersigned promises to pay reasonable attorney's fees and any and all cost for collection of the same, including appeals.

This Note shall be construed and enforced in accordance with the laws of the State of Washington, and venue for any action to enforce or collect this Note shall be in King County, Washington.

AFRICATOWN COMMUNITY LAND TRUST,
A WASHINGTON NON-PROFIT CORPORATION

By: _____
Name: _____
Its: _____

By: _____
Name: _____
Its: _____

DocuSign Envelope ID: FE4958C9-6F09-48CB-8E25-811BBD0CCD5A

EXHIBIT C

BILL OF SALE

YESLER QOZB, L.L.C., a Washington limited liability company ("***Seller***"), for and in consideration of Ten Dollars ($10.00) and other good and valuable consideration received, does hereby sell, assign, grant and convey to AFRICATOWN COMMUNITY LAND TRUST, a Washington non-profit corporation ("***Buyer***"), all equipment, supplies, furniture, fixtures, furnishings, appliances and other personal property (the "***Personal Property***") owned by Seller and located on or used in connection with the maintenance and operation of the real property described on Exhibit A attached hereto. The Personal Property is conveyed to Buyer "AS IS, WHERE IS" condition, with all faults

IN WITNESS WHEREOF, Seller has caused this Bill of Sale to be executed effective as of the ____ day of _____, 20_____.

SELLER:

YESLER QOZB, L.L.C.

By: _____
Name: _____
Its: _____

DocuSign Envelope ID: FE4958C9-6F09-48CB-8E25-811BBD0CCD5A

EXHIBIT D

ASSIGNMENT AND ASSUMPTION OF LEASE

THIS ASSIGNMENT AND ASSUMPTION OF LEASES (this "***Assignment***") is made and entered into effective as of the ____ day of _____, 20_____, by and between YESLER QOZB, L.L.C., a Washington limited liability company ("***Assignor***"), and AFRICATOWN COMMUNITY LAND TRUST a Washington non-profit corporation ("***Assignee***").

RECITALS

This Assignment is made with respect to the following facts:

A. Assignor has as of the date hereof conveyed to Assignee the real property described on Exhibit A attached hereto and made a part hereof (the "***Real Property***").

B. The Real Property is subject to a Lease to Mary's Place dated as of April 3, 2020, as amended by that First Amendment and Right to Reinstate dated as of November 5, 2020 (the "***Lease***").

C. In connection with the conveyance of the Real Property, Assignor has agreed to assign all of its right, title and interest in and to the Lease to Assignee, and Assignee has agreed to assume and perform all of Assignor's liabilities and obligations arising under the Lease from and after the date hereof.

ASSIGNMENT

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. Assignment. Assignor hereby assigns, transfers and conveys to Assignee all of Assignor's right, title and interest as landlord or lessor in, to and under the Lease; provided, that Assignor reserves the right to receive and collect rents due from the tenants under the Lease prior to the date hereof, subject to the terms of the Purchase and Sale Agreement between Assignor and Assignee dated _____, 2020.

2. Assumption. Assignee hereby assumes all liabilities and obligations of Assignor under the Lease and agrees (a) to perform all obligations of Assignor under the Lease. Subject to the foregoing, Assignee shall not be responsible for obligations under the Lease arising before the Closing and Assignor shall not be responsible for obligations under the Lease after the Closing.

3. Successors and Assigns. This Assignment shall be binding upon and inure to the benefit of the parties' respective successors and assigns.

4. Governing Law. This Agreement shall be construed and enforced in accordance with the laws of the State of Washington without regard to its conflicts of law provisions.

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5. Attorneys' Fees. If any legal proceeding is commenced to enforce or interpret any provision of this Assignment, the prevailing party in such suit shall be entitled to recover, in addition to all other remedies or damages, its reasonable attorneys' fees and expenses.

6. Counterparts. This Assignment may be executed in counterparts, each of which shall be deemed a duplicate original. Executed signature pages sent by telecopy or email PDF shall be effective for purposes of executing and delivering this Assignment.

[remainder of page blank; signatures follow]

DocuSign Envelope ID: FE4958C9-6F09-48CB-8E25-811BBD0CCD5A

IN WITNESS WHEREOF, the parties have executed this Assignment as of the date set forth above.

ASSIGNOR:

YESLER QOZB, L.L.C.

By:_____
Name:_____
Its: _____

ASSIGNEE:

AFRICATOWN COMMUNITY LAND TRUST

By: _____
Name: _____
Its: _____

Department of Assessments

201 South Jackson Street, Room 708
Seattle, WA 98104

Office Hours: Mon - Fri 8:30 a.m. to 4:30 p.m.

TEL: 206-296-7300
FAX: 206-296-5107
TTY: 206-296-7888

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- Property Detail

PARCEL

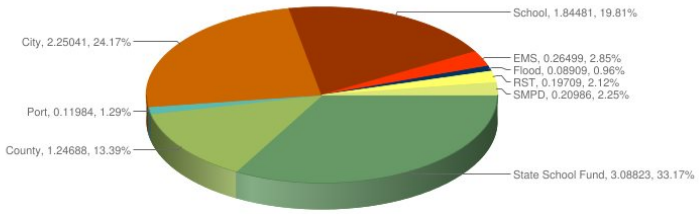
Parcel Number	982670-0565
Name	YESLER QOZB LLC
Site Address	1601 E YESLER WAY 98122
Legal	YESLERS H L 1ST ADD LOTS 1 THRU 6 BLK 15 OF SD PLAT TGW LOTS 1 THRU 6 OF BLK 3 OF HILL TRACT ADD

BUILDING 1

Year Built	1987
Building Net Square Footage	70440
Construction Class	WOOD FRAME
Building Quality	AVERAGE
Lot Size	61448
Present Use	Nursing Home
Views	Yes
Waterfront	

TOTAL LEVY RATE DISTRIBUTION

Tax Year: 2021 **Levy Code:** 0010 **Total Levy Rate:** $9.31120 **Total Senior Rate:** $5.54477



52.03% Voter Approved

Click here to see levy distribution comparison by year.

TAX ROLL HISTORY

Valued Year	Tax Year	Appraised Land Value ($)	Appraised Imps Value ($)	Appraised Total ($)	Appraised Imps Increase ($)	Taxable Land Value ($)	Taxable Imps Value ($)	Taxable Total ($)
2020	2021	10,753,400	1,000	10,754,400	0	10,753,400	1,000	10,754,400
2019	2020	8,295,400	44,600	8,340,000	0	8,295,400	44,600	8,340,000
2018	2019	7,681,000	1,175,100	8,856,100	0	7,681,000	1,175,100	8,856,100
2017	2018	6,144,800	2,979,800	9,124,600	0	0	0	0
2016	2017	5,530,300	3,018,300	8,548,600	0	0	0	0
2015	2016	5,530,300	3,277,900	8,808,200	0	0	0	0
2014	2015	5,223,000	3,305,300	8,528,300	0	0	0	0
2013	2014	5,223,000	4,730,100	9,953,100	0	0	0	0
2012	2013	5,837,500	1,440,400	7,277,900	0	0	0	0
2011	2012	5,837,500	2,162,500	8,000,000	0	0	0	0
2010	2011	5,837,500	3,178,700	9,016,200	0	0	0	0
2009	2010	5,837,500	2,270,100	8,107,600	0	0	0	0
2008	2009	5,530,300	3,478,100	9,008,400	0	0	0	0
2007	2008	3,072,400	6,634,800	9,707,200	0	0	0	0
2006	2007	1,843,400	5,989,300	7,832,700	0	0	0	0
2005	2006	1,536,200	6,547,000	8,083,200	0	0	0	0
2004	2005	1,536,200	6,547,000	8,083,200	0	0	0	0
2003	2004	1,536,200	5,753,500	7,289,700	0	0	0	0

Reference Links:

- King County Taxing Districts Codes and Levies (.PDF)
- King County Tax Links
- Property Tax Advisor
- Washington State Department of Revenue (External link)
- Washington State Board of Tax Appeals (External link)
- Board of Appeals/Equalization
- Districts Report
- iMap
- Recorder's Office

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2002	2003	1,536,200	5,927,600	7,463,800	0	0	0	0
2001	2002	1,536,200	5,906,900	7,443,100	0	0	0	0
2000	2001	1,536,200	5,140,000	6,676,200	0	0	0	0
1999	2000	921,700	6,069,000	6,990,700	0	0	0	0
1997	1998	0	0	0	0	553,000	6,582,100	7,135,100
1996	1997	0	0	0	0	553,000	5,667,100	6,220,100
1994	1995	0	0	0	0	553,000	5,061,900	5,614,900
1992	1993	0	0	0	0	553,000	5,061,900	5,614,900
1990	1991	0	0	0	0	390,000	3,732,300	4,122,300
1989	1990	0	0	0	0	390,000	3,732,300	4,122,300
1988	1989	0	0	0	0	390,000	3,732,300	4,122,300
1987	1988	0	0	0	0	163,900	3,730,300	3,894,200
1986	1987	0	0	0	0	163,900	55,381	219,281
1984	1985	0	0	0	0	59,400	92,600	152,000
1982	1983	0	0	0	0	26,300	90,500	116,800

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TTY: 206-296-7888

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- Area Report
- Print Property Detail

PARCEL DATA

Parcel	982670-0565	**Jurisdiction**	SEATTLE
Name	YESLER QOZB LLC	**Levy Code**	0010
Site Address	1601 E YESLER WAY 98122	**Property Type**	C
Geo Area	40-10	**Plat Block / Building Number**	15 &
Spec Area		**Plat Lot / Unit Number**	ALL
Property Name	KEIRO NORTHWEST	**Quarter-Section-Township-Range**	NW-4 -24-4

Legal Description
YESLERS H L 1ST ADD LOTS 1 THRU 6 BLK 15 OF SD PLAT TGW LOTS 1 THRU 6 OF BLK 3 OF HILL TRACT ADD
PLat Block: 15 &
Plat Lot: ALL

LAND DATA

Highest & Best Use As If Vacant	MIXED USE	**Percentage Unusable**	
Highest & Best Use As Improved	PRESENT USE	**Unbuildable**	NO
Present Use	Nursing Home	**Restrictive Size Shape**	NO
Land SqFt	61,448	**Zoning**	NC1-55 (M)
Acres	1.41	**Water**	WATER DISTRICT
		Sewer/Septic	PUBLIC
		Road Access	PUBLIC
		Parking	ADEQUATE
		Street Surface	PAVED

Views

Rainier	
Territorial	AVERAGE
Olympics	
Cascades	
Seattle Skyline	
Puget Sound	
Lake Washington	
Lake Sammamish	
Lake/River/Creek	
Other View	

Waterfront

Waterfront Location	
Waterfront Footage	0
Lot Depth Factor	0
Waterfront Bank	
Tide/Shore	
Waterfront Restricted Access	
Waterfront Access Rights	NO
Poor Quality	NO
Proximity Influence	NO

Designations

Historic Site	
Current Use	(none)
Nbr Bldg Sites	
Adjacent to Golf Fairway	NO
Adjacent to Greenbelt	NO
Other Designation	NO
Deed Restrictions	NO
Development Rights Purchased	NO
Easements	NO
Native Growth Protection Easement	NO
DNR Lease	NO

Nuisances

Topography	
Traffic Noise	
Airport Noise	
Power Lines	NO
Other Nuisances	NO

Problems

Water Problems	NO
Transportation Concurrency	NO
Other Problems	NO

Environmental

Environmental	NO

BUILDING

Building Number	1
Building Description	150-BED NURSING HOME
Number Of Buildings Aggregated	1
Predominant Use	CONVALESCENT HOSPITAL (313)
Shape	Rect or Slight Irreg
Construction Class	WOOD FRAME
Building Quality	AVERAGE
Stories	2

Click the camera to see more pictures.
Picture of Building 1

Reference Links:

- King County Tax Links
- Property Tax Advisor
- Washington State Department of Revenue (External link)
- Washington State Board of Tax Appeals (External link)
- Board of Appeals/Equalization
- Districts Report
- iMap
- Recorder's Office

Scanned images of surveys and other map documents

Scanned images of plats

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Building Gross Sq Ft	70,440
Building Net Sq Ft	70,440
Year Built	1987
Eff. Year	1999
Percentage Complete	100
Heating System	WARMED AND COOLED AIR
Sprinklers	Yes
Elevators	Yes
1 2	

Section(s) Of Building Number: 1

Section Number	Section Use	Description	Stories	Height	Floor Number	Gross Sq Ft	Net Sq Ft
1	CONVALESCENT HOSPITAL (313)	150 licensed nursing beds	2	9		62,388	62,388
2	BASEMENT, UNFINISHED (703)		1	9		8,052	8,052

Apartment / Condo Complex Data

Complex Type	Commercial Complex
Complex Description	
Value Distribution Method	
# of Bldgs	2
# of Stories	2
# of Units	150
Avg Unit Size	415
Land Per Unit	0
Project Location	AVERAGE
Project Appeal	AVERAGE
% With View	0
Construction Class	REINFORCED CONCRETE
Building Quality	AVERAGE
Condition	Average
Year Built	1987
Eff Year	1987
% Complete	100
Elevators	N
Security System	Y
FirePlace	
Laundry	COMMON
Kitchens	N
# of Meals	3
Founder's Fee	N
Apt Conversion	
Condo Land Type	

Unit Breakdown

Unit Type	Number of This Type	Sq Ft	# of Bedrooms	# of Baths
NursHme/Hospital:1-bd rms	150	415	0	1

TAX ROLL HISTORY

Account	Valued Year	Tax Year	Omit Year	Levy Code	Appraised Land Value ($)	Appraised Imps Value ($)	Appraised Total Value ($)	New Dollars ($)	Taxable Land Value ($)	Taxable Imps Value ($)	Taxable Total Value ($)	Tax Value Reason
982670056505	2020	2021		0010	10,753,400	1,000	10,754,400	0	10,753,400	1,000	10,754,400	
982670056505	2019	2020		0010	8,295,400	44,600	8,340,000	0	8,295,400	44,600	8,340,000	
982670056505	2018	2019		0010	7,681,000	1,175,100	8,856,100	0	7,681,000	1,175,100	8,856,100	
982670056505	2017	2018		0010	6,144,800	2,979,800	9,124,600	0	0	0	0	NP
982670056505	2016	2017		0010	5,530,300	3,018,300	8,548,600	0	0	0	0	NP
982670056505	2015	2016		0010	5,530,300	3,277,900	8,808,200	0	0	0	0	EX
982670056505	2014	2015		0010	5,223,000	3,305,300	8,528,300	0	0	0	0	EX
982670056505	2013	2014		0010	5,223,000	4,730,100	9,953,100	0	0	0	0	EX
982670056505	2012	2013		0010	5,837,500	1,440,400	7,277,900	0	0	0	0	EX
982670056505	2011	2012		0010	5,837,500	2,162,500	8,000,000	0	0	0	0	EX
982670056505	2010	2011		0010	5,837,500	3,178,700	9,016,200	0	0	0	0	EX
982670056505	2009	2010		0010	5,837,500	2,270,100	8,107,600	0	0	0	0	EX
982670056505	2008	2009		0010	5,530,300	3,478,100	9,008,400	0	0	0	0	EX
982670056505	2007	2008		0010	3,072,400	6,634,800	9,707,200	0	0	0	0	EX
982670056505	2006	2007		0010	1,843,400	5,989,300	7,832,700	0	0	0	0	EX
982670056505	2005	2006		0010	1,536,200	6,547,000	8,083,200	0	0	0	0	EX
982670056505	2004	2005		0010	1,536,200	6,547,000	8,083,200	0	0	0	0	EX
982670056505	2003	2004		0010	1,536,200	5,753,500	7,289,700	0	0	0	0	EX
982670056505	2002	2003		0010	1,536,200	5,927,600	7,463,800	0	0	0	0	NP
982670056505	2001	2002		0010	1,536,200	5,906,900	7,443,100	0	0	0	0	NP
982670056505	2000	2001		0010	1,536,200	5,140,000	6,676,200	0	0	0	0	NP
982670056505	1999	2000		0010	921,700	6,069,000	6,990,700	0	0	0	0	NP
982670056505	1997	1998		0010	0	0	0	0	553,000	6,582,100	7,135,100	
982670056505	1996	1997		0010	0	0	0	0	553,000	5,667,100	6,220,100	
982670056505	1994	1995		0010	0	0	0	0	553,000	5,061,900	5,614,900	
982670056505	1992	1993		0010	0	0	0	0	553,000	5,061,900	5,614,900	

982670056505	1990	1991		0010	0	0	0	0	390,000	3,732,300	4,122,300	
982670056505	1989	1990		0010	0	0	0	0	390,000	3,732,300	4,122,300	
982670056505	1988	1989		0010	0	0	0	0	390,000	3,732,300	4,122,300	
982670056505	1987	1988		0010	0	0	0	0	163,900	3,730,300	3,894,200	
982670056505	1986	1987		0010	0	0	0	0	163,900	55,381	219,281	
982670056505	1984	1985		0010	0	0	0	0	59,400	92,600	152,000	
982670056505	1982	1983		0010	0	0	0	0	26,300	90,500	116,800	

SALES HISTORY

Excise Number	Recording Number	Document Date	Sale Price	Seller Name	Buyer Name	Instrument	Sale Reason
3021767		11/21/2019	$11,000,000.00	KEIRO NORTHWEST	YESLER QOZB LLC	Statutory Warranty Deed	None
754112	198312220190	12/20/1983	$181,000.00	DIXON HOWARD	NIKKEI CONCERNS	Purchaser's Assignment	None

REVIEW HISTORY

PERMIT HISTORY

Permit Number	Permit Description	Type	Issue Date	Permit Value	Issuing Jurisdiction	Reviewed Date
6775854-CN	Change of use from assisted care facility to congregate residence and construct alterations for a 300 bed homeless shelter, occupy per plans,	Remodel	4/13/2020	$1,000	SEATTLE	
6456930	Interior alterations on ground floor of nursing home subject to field inspection (STFI),	Remodel	1/29/2015	$215,000	SEATTLE	8/31/2015
6292828	Alterations to entry of existing nursing home (Keiro Garden), per plan.,	Remodel	9/20/2011	$76,285	SEATTLE	8/31/2015
6165380	renovation of shower/bathrooms on the 1sr floor of Assisted Living home per floor & subject to field inspection.	Remodel	12/28/2007	$180,000	SEATTLE	8/31/2015
		Building, New	7/7/1996	$9,999		
		Remodel	3/28/1996	$370,180		
		Remodel	3/27/1996	$750,000		

HOME IMPROVEMENT EXEMPTION

- New Search
- Property Tax Bill
- Map This Property
- Glossary of Terms
- Area Report
- Print Property Detail

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Property Tax

Results - 1

Tax payer name: YESLER QOZB LLC **9D9999**

Tax account number: 982670056505

Parcel number: 9826700565

Tax account status: This account is active.

Mailing address on file:

11624 SE 5TH ST #210
BELLEVUE WA 98005

Billing Details

SECOND HALF AMOUNT IF PAID OR POSTMARKED BY OCTOBER 31, 2021.

Current Year:

Tax year	Amount
2021 2nd Half	$54,352.83

Tax Year Details

Tax year details

Tax Information	2021	2020	2019	2018
Levy code	0010	0010	0010	0010

Tax Information	2021	2020	2019	2018
Status	Taxable	Taxable	Taxable	Exempt
Omit year	0000	0000	0000	0000
Land value	$10,753,400	$8,295,400	$7,681,000	$0
Improvement value	$1,000	$44,600	$1,175,100	$0
Charges				
Tax	$100,136.37	$76,973.37	$8,034.62	$0.00
Surface Water	$8,551.72	$7,957.52	$7,365.16	$6,917.20
Noxious Weed	$5.85	$5.85	$0.00	$3.48
Conservation	$11.73	$11.47	$9.23	$9.23
Total billed	$108,705.67	$84,948.21	$15,409.01	$6,929.91
Amount paid	$54,352.84	$84,948.21	$15,409.01	$6,929.91
Interest	*$0.00*	*$0.00*	*$0.00*	*$0.00*
Penalty	*$0.00*	*$0.00*	*$0.00*	*$0.00*
Balance	**$54,352.83**	**$0.00**	**$0.00**	**$0.00**

Receipts

Date	Receipt	Amount	Penalty/Interest Paid
04/30/2021	468609	$54,352.84	$0.00
10/26/2020	205867	$42,474.10	$0.00
06/03/2020	233228	$50,508.73	$0.00
10/04/2019	614900	$3,687.19	$0.00
04/12/2019	604421	$3,687.20	$0.00
10/17/2018	158352	$3,464.95	$0.00

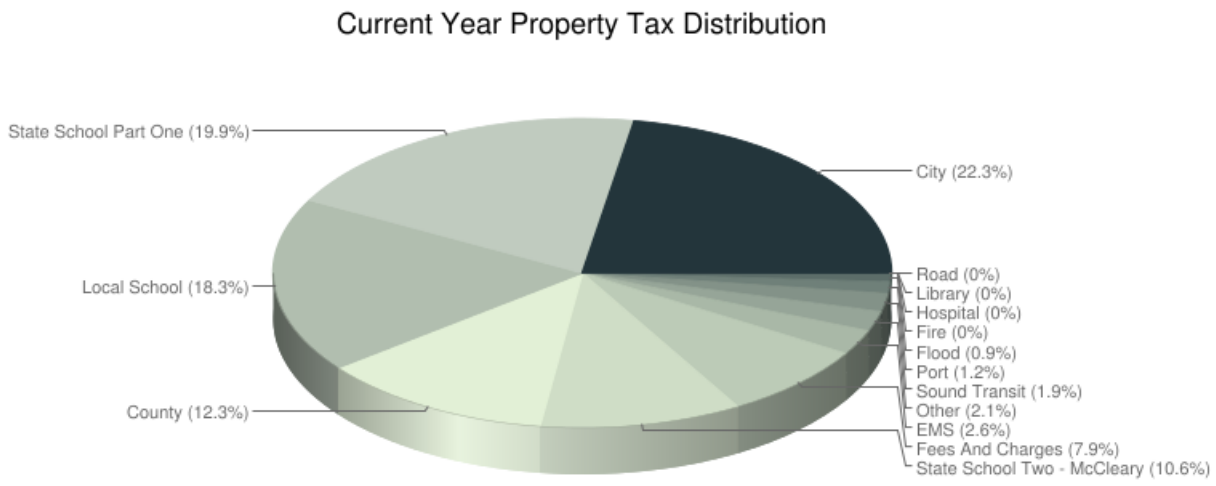
2021 Tax / Fee Distribution

Distribution information	Dollars	Percent *
State School Part One	$21,638.80	19.9%
State School Two - McCleary	$11,573.42	10.6%

Distribution information	Dollars	Percent *
Local School	$19,839.81	18.3%
County	$13,409.55	12.3%
City	$24,201.66	22.3%
Road	$0.00	0.0%
Port	$1,288.79	1.2%
Sound Transit	$2,119.59	1.9%
Fire	$0.00	0.0%
Hospital	$0.00	0.0%
Flood	$958.10	0.9%
Library	$0.00	0.0%
EMS	$2,849.78	2.6%
Other	$2,256.87	2.1%
Fees And Charges	$8,569.30	7.9%

**** Percents are rounded***

2021 Tax / Fee Distribution Chart



Tax statement

To request a tax statement, click the **Request tax statement** button below. The statement will be mailed to the address on file within 10 working days.

Request Tax Statement

If the name or mailing address on your statement is incorrect, visit the Property Tax FAQ - General/Statements and scroll down to the section titled, How do I change my mailing address or the name on my statement?

King County Treasury Operations
King Street Center
201 South Jackson Street #710
Seattle, WA 98104
Hours: Monday-Friday, 8:30 am-4:30 pm PST

Property Tax Information and Customer Service
206-263-2890 PropertyTax.CustomerService@kingcounty.gov

Mobile Homes/Commercial Personal Property
206-263-2844 Treasury.PersonalProperty@kingcounty.gov

Tax Foreclosures
206-263-2649 TaxForeclosures@kingcounty.gov

Maintenance Assessment Management Systems
Local Improvement Districts
206-263-1893 mams.lid@kingcounty.gov

TTY Relay 711

Valuation & Advisory Services

Direct: +1 206 695 4200
Fax: +1 206 682 7938
colliers.com

601 Union Street
Suite 4800
Seattle, WA 98101
United States

Valuation Glossary

Unless specified otherwise, these definitions were extracted from the following sources or publications:

The Dictionary of Real Estate Appraisal, Sixth Edition, Appraisal Institute, Chicago, Illinois, 2015 (Dictionary).

Uniform Standards of Professional Appraisal Practice, 2020-2022 Edition (USPAP).

The Appraisal of Real Estate, Fourteenth Edition, Appraisal Institute, Chicago, Illinois, 2020 (15th Edition).

Absolute Net Lease

A lease in which the tenant pays all expenses including structural maintenance, building reserves, and management; often a long-term lease to a credit tenant. *(Dictionary)*

Ad Valorem Tax

A real estate tax based on the assessed value of the property, which is not necessarily equivalent to its market value. *(15th Edition)*

Aggregate of Retail Values (ARV)

The sum of the separate and distinct market value opinions for each of the units in a condominium; subdivision development, or portfolio of properties, as of the date of valuation. The aggregate of retail values does not represent the value of all the units as sold together in a single transaction; it is simply the total of the individual market value conclusions. Also called *sum of the retail values*. *(Dictionary)*

Arm's-length Transaction

A transaction between unrelated parties who are each acting in his or her own best interest. *(Dictionary)*

As-Is Market Value

The estimate of the market value of real property in its current physical condition, use, and zoning as of the appraisal date. *(Dictionary)*

Assessed Value

The value of a property according to the tax rolls in ad valorem taxation; may be higher or lower than market value, or based on an assessment ratio that is a percentage of market value. *(Dictionary)*

Average Daily Room Rate (ADR)

In the lodging industry, the net rooms revenue derived from the sale of guest rooms divided by the number of paid occupied rooms. *(Dictionary)*

Band of Investment

A technique in which the capitalization rates attributable to components of an investment are weighted and combined to derive a weighted-average rate attributable to the total investment. *(Dictionary)*

Cash-Equivalent Price

The price of a property with nonmarket financing expressed as the price that would have been paid in an all-cash sale. *(Dictionary)*

Common Area

The total area within a property that is not designed for sale or rental but is available for common use by all owners, tenants, or their invitees, e.g., parking and its appurtenances, malls, sidewalks, landscaped areas, recreation areas, public toilets, truck and service facilities. *(Dictionary)*

Contract Rent

The actual rental income specified in a lease. *(15th Edition)*

Cost Approach

A set of procedures through which a value indication is derived for the fee simple interest in a property by estimating the current cost to construct a reproduction of (or replacement for) the existing structure, including an entrepreneurial incentive; deducting depreciation from the total cost; and adding the estimated land value. Adjustments may then be made to the indicated fee simple value of the subject property to reflect the value of the property interest being appraised. *(Dictionary)*

Curable Functional Obsolescence

An element of depreciation; a curable defect caused by a flaw in the structure, materials, or design, which can be practically and economically corrected. *(Dictionary)*

Debt Coverage Ratio (DCR)

The ratio of net operating income to annual debt service, which measures the relative ability of a property to meet its debt service out of net operating income; also called debt service coverage ratio (DSCR). (*Dictionary)*

Deferred Maintenance

Items of wear and tear on a property that should be fixed now to protect the value or income-producing ability of a property. *(Dictionary)*

Depreciation

In appraisal, a loss in property value from any cause; the difference between the cost of an improvement on the effective date of the appraisal and the market value of the improvement on the same date. *(Dictionary)*

Direct Costs

Expenditures for the labor and materials used in the construction of improvements; also called hard costs. *(Dictionary)*

Discounted Cash Flow (DCF) Analysis

The procedure in which a discount rate is applied to a set of projected income streams and a reversion. The analyst specifies the quantity, variability, timing, and duration of the income streams and the quantity and timing of the reversion, and discounts each to its present value at a specified yield rate. *(Dictionary)*

Discount Rate

A rate of return on capital used to convert future payments or receipts into present value; usually considered to be a synonym for yield rate. *(Dictionary)*

Disposition Value

The most probable price that a specified interest in property should bring under the following conditions:

1. Consummation of a sale within a specified time, which is shorter than the typical exposure time for such a property in that market.
2. The property is subjected to market conditions prevailing as of the date of valuation.
3. Both the buyer and seller are acting prudently and knowledgeably.
4. The seller is under compulsion to sell.
5. The buyer is typically motivated.
6. Both parties are acting in what they consider their best interests.
7. An adequate marketing effort will be made during the exposure time.
8. Payment will be made in cash in U.S. dollars (or the local currency) or in terms of financial arrangements comparable thereto.
9. The price represents the normal consideration for the property sold, unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

This definition can also be modified to provide for valuation with specified financing terms. *(Dictionary)*

Easement

The right to use another's land for a stated purpose. Access or right-of-way easements may be acquired by private parties or public utilities. Governments may be the beneficiaries of easements placed on privately owned land that is dedicated to conservation, open space, or preservation. *(15th Edition)*

Economic Life

The period over which improvements to real property contribute to property value. *(Dictionary)*

Effective Age

The age of property that is based on the amount of observed deterioration and obsolescence it has sustained, which may be different from its chronological age. *(Dictionary)*

Effective Date

The date on which the appraisal or review opinion applies (SVP) *(Dictionary)*

Effective Gross Income (EGI)

The anticipated income from all operations of the real estate after an allowance is made for vacancy and collection losses and an addition is made for any other income. *(Dictionary)*

Effective Gross Income Multiplier (EGIM)

The ratio between the sale price (or value) of a property and its effective gross income. *(Dictionary)*

Effective Rent

The total base rent, or minimum rent stipulated in a lease, over the specified lease term minus rent concessions - e.g. free rent, excessive tenant improvements, moving allowances, lease buyouts, cash allowances, and other lease incentives. *(15th Edition)*

Eminent Domain

The right of government to take private property for public use upon the payment of just compensation. The Fifth Amendment of the U.S. Constitution, also known as the takings clause, guarantees payment of just compensation upon appropriation of private property. *(Dictionary)*

Entrepreneurial Incentive

The amount an entrepreneur expects to receive for his or her contribution to a project. Entrepreneurial incentive may be distinguished from entrepreneurial profit (often called developer's profit) in that it is the expectation of future profit as opposed to the profit actually earned on a development or improvement. *(Dictionary)*

Entrepreneurial Profit

A market-derived figure that represents the amount an entrepreneur receives for his or her contribution to a project and risk; the difference between the total cost of a property (cost of development) and its market value (property value after completion), which represents the entrepreneur's compensation for the risk and expertise associated with

development. An entrepreneur is motivated by the prospect of future value enhancement (i.e., the entrepreneurial incentive). An entrepreneur who successfully creates value through new development, expansion, renovation, or an innovative change of use is rewarded by entrepreneurial profit. Entrepreneurs may also fail and suffer losses. *(Dictionary)*

Excess Land

Land that is not needed to serve or support the existing improvement. The highest and best use of the excess land may or may not be the same as the highest and best use of the improved parcel. Excess land has the potential to be sold separately and is valued separately. *(Dictionary)*

Excess Rent

The amount by which contract rent exceeds market rent at the time of the appraisal; created by a lease favorable to the lessor and may reflect superior management, a lease execution in an earlier, stronger rental market, or an agreement of the parties. Due to the higher risk inherent in the receipt of excess rent, it may be calculated separately and capitalized or discounted at a higher rate in the income capitalization approach. *(15th Edition)*

Expense Stop

A clause in a lease that limits the landlord's expense obligation, which results in the lessee paying any operating expenses above a stated level or amount. *(Dictionary)*

Exposure Time

An opinion, based on supporting market data, of the length of time that the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal. *(USPAP)*

Extraordinary Assumption

An assignment-specific assumption as of the effective date regarding uncertain information used in an analysis which, if found to be false, could alter the appraiser's opinions or conclusions. Uncertain information might include physical, legal, or economic characteristics of the subject property; or conditions external to the property, such as market conditions or trends; or the integrity of data used in an analysis. An extraordinary assumption may be used in an assignment only if:

- It is required to properly develop credible opinions and conclusions;
- The appraiser has a reasonable basis for the extraordinary assumption;
- Use of the extraordinary assumption results in a credible analysis; and
- The appraiser complies with the disclosure requirements set forth in USPAP for extraordinary assumptions. *(USPAP)*

External Obsolescence

A type of depreciation; a diminution in value caused by negative external influences and generally incurable on the part of the owner, landlord, or tenant. The external influence may be temporary or permanent. *(Dictionary)*

Fair Market Value

In nontechnical usage, a term that is equivalent to the contemporary usage of market value.

As used in condemnation, litigation, income tax, and property tax situations, a term that is similar in concept to market value but may be defined explicitly by the relevant agency. *(Dictionary)*

Feasibility Analysis

A study of the cost-benefit relationship of an economic endeavor. *(USPAP)*

Fee Simple Estate

Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power and escheat. *(Dictionary)*

Floor Area Ratio (FAR)

The relationship between the above-ground floor area of a building, as described by the zoning or building code, and the area of the plot on which it stands; in planning and zoning, often expressed as a decimal, e.g., a ratio of 2.0 indicates that the permissible floor area of a building is twice the total land area. *(Dictionary)*

Functional Obsolescence

The impairment of functional capacity of improvements according to market tastes and standards. *(Dictionary)*

Functional Utility

The ability of a property or building to be useful and to perform the function for which it is intended according to current market tastes and standards; the efficiency of a building's use in terms of architectural style, design and layout, traffic patterns, and the size and type of rooms. *(Dictionary)*

Furniture, Fixtures, and Equipment (FF&E)

Business trade fixtures and personal property, exclusive of inventory. (Dictionary)

Going-concern

An established and operating business having an indefinite future life. *(Dictionary)*

Going-concern Value

An outdated label for the market value of all the tangible and intangible assets of an established and operating business with an indefinite life, as if sold in aggregate; more accurately termed the market value of the going concern or market value of the total assets of the business. *(Dictionary)*

Gross Building Area (GBA)

Total floor area of a building, excluding unenclosed areas, measured from the exterior of the walls of the above-grade area. This includes mezzanines and basements if and when typically included in the market area of the type of property involved. *(Dictionary)*

Gross Leasable Area (GLA) - Commercial

Total floor area designed for the occupancy and exclusive use of tenants, including basements and mezzanines; measured from the center of joint partitioning to the outside wall surfaces. *(Dictionary)*

Gross Living Area (GLA) - Residential

Total area of finished, above-grade residential area; calculated by measuring the outside perimeter of the structure and includes only finished, habitable, above-grade living space. (Finished basements and attic areas are not generally included in total gross living area. Local practices, however, may differ.) *(Dictionary)*

Highest & Best Use

The reasonably probable use of property that results in the highest value. The four criteria that the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity. The use of an asset that maximizes its potential and that is possible, legally permissible, and financially feasible. The highest and best use may be for continuation of an asset's existing use or for some alternative use. This is determined by the use that a market participant would have in mind for that asset when formulating the price that it would be willing to bid (IVS). *(Dictionary)*

Hypothetical Condition

A condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of analysis. Hypothetical conditions are contrary to known facts about physical, legal, or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis. *(USPAP)*

Income Capitalization Approach

In the income capitalization approach, an appraiser analyzes a property's capacity to generate future benefits and capitalizes the income into an indication of present value. The principle of anticipation is fundamental to this approach. Techniques and procedures from this approach are used to analyze comparable sales data and to measure obsolescence in the cost approach. *(15th Edition)*

Incurable Functional Obsolescence

An element of depreciation; a defect caused by a deficiency or superadequacy in the structure, materials, or design that cannot be practically or economically corrected as of the effective date of the appraisal. *(Dictionary)*

Indirect Costs

Expenditures or allowances for items other than labor and materials that are necessary for construction, but are not typically part of the construction contract. Indirect costs may include administrative costs, professional fees, financing costs and the interest paid on construction loans, taxes and the builder's or developer's all-risk insurance during construction, and marketing, sales, and lease-up costs incurred to achieve occupancy or sale. Also called soft costs. *(Dictionary)*

Insurable Replacement Cost

The cost estimate, at current prices as of the effective date of valuation, of a substitute for the building being valued, using modern materials and current standards, design and layout for insurance coverage purposes guaranteeing that damaged property is replaced with a new property (i.e., depreciation is not deducted). *(Dictionary)*

Interim Use

The temporary use to which a site or improved property is put until a different use becomes maximally productive. *(Dictionary)*

Investment Value

The value of a property to a particular investor or class of investors based on the investor's specific requirements. Investment value may be different from market value because it depends on a set of investment criteria that are not necessarily typical of the market. *(Dictionary)*

Leased Fee Interest

The ownership interest held by the lessor, which includes the right to receive the contract rent specified in the lease plus the reversion right when the lease expires. *(Dictionary)*

Leasehold Interest

The right held by the lessee to use and occupy real estate for a stated term and under the conditions specified in the lease. *(Dictionary)*

Legally Nonconforming Use

A use that was lawfully established and maintained, but no longer conforms to the use regulations of its current zoning; also known as a grandfathered use. *(Dictionary)*

Liquidation Value

The most probable price that a specified interest in real property should bring under the following conditions:

1. Consummation of a sale within a short time period.
2. The property is subjected to market conditions prevailing as of the date of valuation.
3. Both the buyer and seller are acting prudently and knowledgeably.
4. The seller is under extreme compulsion to sell.
5. The buyer is typically motivated.
6. Both parties are acting in what they consider to be their best interests.
7. A normal marketing effort is not possible due to the brief exposure time.
8. Payment will be made in cash in U.S. dollars (or the local currency) or in terms of financial arrangements comparable thereto.
9. The price represents the normal consideration for the property sold, unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

This definition can also be modified to provide for valuation with specified financing terms. *(Dictionary)*

Market Area

The geographic region from which a majority of demand comes and in which the majority of competition is located. Depending on the market, a market area may be further subdivided into components such as primary, secondary, and tertiary market areas. *(Dictionary)*

Market Rent

The most probable rent that a property should bring in a competitive and open market reflecting the conditions and restrictions of a specific lease agreement, including the rental adjustment and revaluation, permitted uses, use restrictions, expense obligations, term, concessions, renewal and purchase options, and tenant improvements (TIs). *(Dictionary)*

Market Study

An analysis of the market conditions of supply, demand, and pricing for a specific property type in a specific area. *(Dictionary)*

Market Value (Most Common Non-FRT)

The most probable price, as of a specific date, in cash, or in terms equivalent to cash, or in other precisely revealed terms, for which the specified property rights should sell after reasonable exposure in a competitive market under all conditions requisite to a fair sale, with the buyer and seller each acting prudently, knowledgeably, and for self-interest, and assuming that neither is under undue distress. *(Dictionary)*

Market Value (Interagency Guidelines)

The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

1. buyer and seller are typically motivated;
2. both parties are well informed or well advised, and acting in what they consider their own best interests;
3. a reasonable time is allowed for exposure in the open market;
4. payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
5. the price represents the normal consideration for the property sold unaffected by special or creative financing or salesconcessions granted by anyone associated with the sale. (Interagency Appraisal and Evaluation Guidelines, December 10, 2010, Federal Register, Volume 75 Number 237, Page 77472)

Marketability Analysis

The study of how a specific property is expected to perform in a specific market. A marketability analysis expands on a market analysis by addressing a specific property.*(Dictionary)*

Neighborhood Analysis

The objective analysis of observable or quantifiable data indicating discernible patterns of urban growth, structure, and change that may detract from or enhance property values; focuses on four sets of considerations that influence value: social, economic, governmental, and environmental factors. *(Dictionary)*

Net Operating Income (NOI)

The actual or anticipated net income that remains after all operating expenses are deducted from effective gross income but before mortgage debt service and book depreciation are deducted. Note: This definition mirrors the convention used in corporate finance and business valuation for EBITDA (earnings before interest, taxes, depreciation, and amortization). *(15th Edition)*

Obsolescence

One cause of depreciation; an impairment of desirability and usefulness caused by new inventions, changes in design, improved processes for production, or external factors that make a property less desirable and valuable for a continued use; may be either functional or external. *(Dictionary)*

Off-site Costs

Costs incurred in the development of a project, excluding on-site costs such as grading and construction of the building and other improvements; also called common costs or off-site improvement costs. *(Dictionary)*

On-site Costs

Costs incurred for the actual construction of buildings and improvements on a particular site. *(Dictionary)*

Overage Rent

The percentage rent paid over and above the guaranteed minimum rent or base rent; calculated as a percentage of sales in excess of a specified breakeven sales volume. *(15th Edition)*

Overall Capitalization Rate (OAR)

The relationship between a single year's net operating income expectancy and the total property price or value. *(Dictionary)*

Parking Ratio

The ratio of parking area or parking spaces to an economic or physical unit of comparison. Minimum required parking ratios for various land uses are often stated in zoning ordinances.*(Dictionary)*

Potential Gross Income (PGI)

The total income attributable to property at full occupancy before vacancy and operating expenses are deducted. *(Dictionary)*

Potential Gross Income Multiplier (PGIM)

The ratio between the sale price (or value) of a property and its annual potential gross income. *(Dictionary)*

Present Value (PV)

The value of a future payment or series of future payments discounted to the current date or to time period zero. *(Dictionary)*

Prospective Opinion of Value

A value opinion effective as of a specified future date. The term does not define a type of value. Instead, it identifies a value opinion as effective at some specific future date. An opinion of value as of a prospective date is frequently sought in connection with projects that are proposed, under construction, or under conversion to a new use, or those that have not achieved sellout or a stabilized level of long-term occupancy. *(Dictionary)*

Qualitative Adjustment

An indication that one property is superior, inferior, or the same as another property. Note that the common usage of the term is a misnomer in that an adjustment to the sale price of a comparable property is not made. Rather, the indication of a property's superiority or inferiority to another is used in relative comparison analysis, bracketing, and other forms of qualitative analysis. *(Dictionary)*

Quantitative Adjustment

A numerical (dollar or percentage) adjustment to the indicated value of the comparable property to account for the effect of a difference between two properties on value. *(Dictionary)*

Rentable Area

The amount of space on which the rent is based; calculated according to local practice. *(Dictionary)*

Replacement Cost

The estimated cost to construct, at current prices as of a specific date, a substitute for a building or other improvements, using modern materials and current standards, design, and layout. *(Dictionary)*

Reproduction Cost

The estimated cost to construct, at current prices as of the effective date of the appraisal, an exact duplicate or replica of the building being appraised, using the same materials, construction standards, design, layout, and quality of workmanship and embodying all the deficiencies, superadequacies, and obsolescence of the subject building. *(Dictionary)*

Retrospective Value Opinion

A value opinion effective as of a specified historical date. The term retrospective does not define a type of value. Instead, it identifies a value opinion as being effective at some specific prior date. Value as of a historical date is frequently sought in connection with property tax appeals, damage models, lease renegotiation, deficiency judgments, estate tax, and condemnation. Inclusion of the type of value with this term is appropriate, e.g., "retrospective market value opinion." *(Dictionary)*

Sales Comparison Approach

The process of deriving a value indication for the subject property by comparing sales of similar properties to the property being appraised, identifying appropriate units of comparison, and making adjustments to the sale prices (or unit prices, as appropriate) of the comparable properties based on relevant, market-derived elements of comparison. The sales comparison approach may be used to value improved properties, vacant land, or land being considered vacant when an adequate supply of comparable sales is available. *(Dictionary)*

Scope of Work

The type and extent of research and analysis in an appraisal or appraisal review assignment. Scope of work includes, but is not limited to:

The extent to which the property is identified;

The extent to which tangible property is inspected;

The type and extent of data researched; and

The type and extent of analysis applied to arrive at opinions or conclusions. *(USPAP)*

Shopping Center Types

Neighborhood Shopping Center: The smallest type of shopping center, generally with a gross leasable area of between 30,000 and 100,000 square feet. Typical anchors include supermarkets. Neighborhood shopping centers offer convenience goods and personal services and usually depend on a market population support of 3,000 to 40,000 people.

Community Shopping Center: A shopping center of 100,000 to 400,000 square feet that usually contains one junior department store, a variety store, discount or department store. A community shopping center generally has between 20 and 70 retail tenants and a market population support of 40,000 to 150,000 people.

Regional Shopping Center: A shopping center of 300,000 to 900,000 square feet that is built around one or two full-line department stores of approximately 200,000 square feet each plus small tenant spaces. This type of center is typically supported by a minimum population of 150,000 people.

Super-Regional Center: A large center of 600,000 to 2.0 million square feet anchored by three or more full-line department stores. This type of center is typically supported by a population area of 300,000 people. *(15th Edition)*

Superadequacy

An excess in the capacity or quality of a structure or structural component; determined by market standards. *(Dictionary)*

Surplus Land

Land that is not currently needed to support the existing use but cannot be separated from the property and sold off for another use. Surplus land does not have an independent highest and best use and may or may not contribute value to the improved parcel. *(Dictionary)*

Tenant Improvements (TIs)

1. Fixed improvements to the land or structures installed for use by a lessee.
2. The original installation of finished tenant space in a construction project; subject to periodic change for succeeding tenants. *(Dictionary)*

Triple Net Lease

An alternative term for a type of net lease. In some markets, a net net net lease is defined as a lease in which the tenant assumes all expenses (fixed and variable) of operating a property except that the landlord is responsible for structural maintenance, building reserves, and management. Also called NNN, triple net lease, or fully net lease. *(Dictionary)*

Usable Area

The area that is actually used by the tenants measured from the inside of the exterior walls to the inside of walls separating the space from hallways and common areas. *(Dictionary)*

Useful Life

The period of time over which a structure or a component of a property may reasonably be expected to perform the function for which it was designed. *(Dictionary)*

Vacancy and Collection Loss

A deduction from potential gross income (PGI) made to reflect income deductions due to vacancies, tenant turnover, and non-payment of rent; also called vacancy and credit loss or vacancy and contingency loss. *(Dictionary)*

Yield Capitalization

A method used to convert future benefits into present value by 1) discounting each future benefit at an appropriate yield rate, or 2) developing an overall rate that explicitly reflects the investment's income pattern, holding period, value change, and yield rate. *(Dictionary)*

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Bachelor of Arts in General Business Management – Eastern Washington University 1999

State Certifications

Oregon

Washington

Cory J. Hutsell, MAI

Area of Expertise

Cory J. Hutsell, MAI is a Valuation Services Director in the Seattle office of Colliers International Valuation & Advisory Services. Mr. Hutsell's extensive experience includes both property types studied and appraised such as apartments, condominiums (proposed and conversions), office, industrial, residential subdivisions, senior living facilities, vacant land, and special-purpose and single-use properties. Additionally, Mr. Hutsell has performed valuations on proposed, partially completed, renovated, and existing structures. More specifically, he specializes in apartment product consisting of low income, tax credit subsidized, government financed (HUD MAP, Fannie Mae and Freddie Mac) and at market complexes.

In June 2013, Mr. Hutsell earned the MAI designation and became a member of the Appraisal Institute. In 2007, he completed the state requirement for the certified general real estate appraiser license in the State of Washington. In 1999, he earned a Bachelor of Arts in Business Management from Eastern Washington University.

Affiliations or Memberships

Member of the Appraisal Institute

Professional Background

Commercial Real Estate Appraiser
O'Connor Consulting Group, Seattle, WA
July 2004 – July 2011

Representative Clients and Projects

- American Capital Group
- Beacon Development
- Bellwether Housing
- Berkadia Commercial Mortgage
- CBRE Capital Markets
- City of Seattle – Office of Housing
- DESC (Downtown Emergency Service Center)
- Eastern Mortgage Capital
- Enterprise Community Loan Fund
- Greystone Funding Company LLC
- Housing Hope
- HUB International Northwest
- Imagine Housing
- Impact Capital
- Interim CDA
- JPMorgan Chase Bank,N.A.
- Love Funding
- M&T Realty Capital Corporation
- Mercy Housing
- NorthMarq Captial, LLC
- Orix Real Estate Capital, LLC
- Paragon Mortgage Corporation
- Principal Real Estate
- Prudential
- Redpoint Development Group
- SCIDpda (Seattle Chinatown International District Public Authority)
- Seattle Indian Services Commission
- The CWD Group
- TWG Development
- Wells Fargo Bank N.A.

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STATE OF WASHINGTON

DEPARTMENT OF LICENSING – BUSINESS AND PROFESSIONS DIVISION

WASHINGTON STATE DEPARTMENT OF LICENSING

THIS CERTIFIES THAT THE PERSON OR BUSINESS NAMED BELOW IS AUTHORIZED AS A

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1101851	08/09/2007	02/18/2023
License Number	Issue Date	Expiration Date

Teresa Berntsen
Teresa Berntsen, Director

(R/7/19)

Valuation & Advisory Services

Services Offered

Single Asset Valuation
Portfolio Valuation
Institutional Asset Valuation
Loan Pool Valuation
Appraisal Review
Appraisal Management
Lease and Cost Analysis
Insurance Valuation
Arbitration & Consulting
Feasibility Studies
Investment Analysis
Highest and Best Use Studies
Tax Appeals
Litigation Support
Segregated-Cost Analysis

Experience That Counts

Office
Industrial
Retail
Multifamily
Mixed-Use Properties
Senior Housing
Land
Self-Storage
Manufactured Housing
Agriculture
Net Lease
Hospitality
Health Care
Subdivisions
Embassies & Consulates
GSA Properties
Special Use Properties
Telecommunications

Real estate valuations play a pivotal role in today's business climate. An accurate and well supported opinion of property value can mean the difference between reaching a critical goal—securing a loan, closing a sale, reporting to investors, choosing the best asset—or failing to achieve it altogether.

Colliers Valuation & Advisory Services' reports are designed to deliver insight into a property's fundamentals, its competition and the overall market dynamics affecting value. A solid valuation report can be a strategic asset for investors, lenders and owners, provided that it addresses both a property's unique characteristics and the most current market conditions.

Commitment to high-end client service, coupled with Colliers' unparalleled market intelligence and resources, differentiates us as the firm of choice in the real estate industry.

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Our professionals share a commitment to deliver the highest level of service and consistent results. We go the extra mile for our clients, whether this means meeting a tight deadline or working with a complex and challenging property.

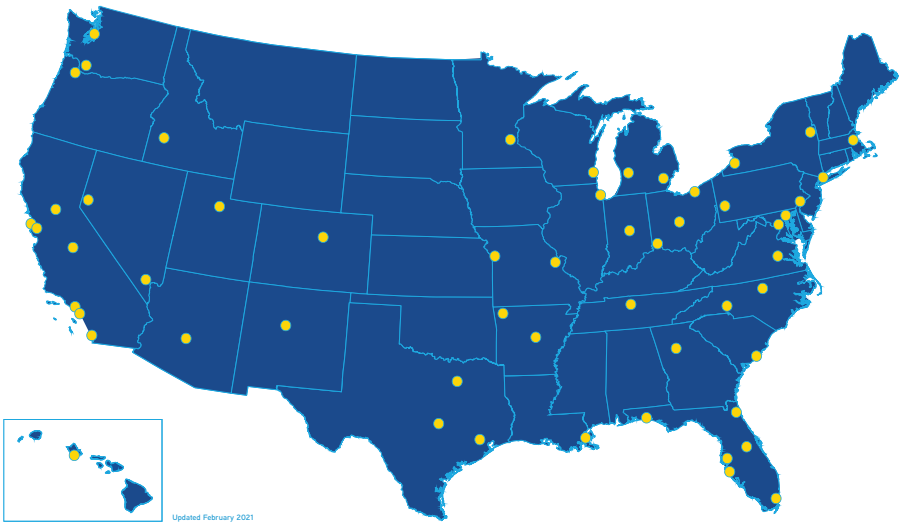
Technology

Our unmatched report creation technology speeds appraisals through the pipeline. This secure, centralized production system generates a wide range of reports and high volume portfolio orders without delays.

Information

Today's business climate places valuation in a more pivotal position than ever before. All our appraisals are evaluated and approved by an experienced review team to ensure our clients receive concise and timely appraisals. With clear, prompt reporting and a comprehensive, big picture approach, Colliers International's Valuation and Advisory reports give our clients the information they need to make better business decisions.

Valuation & Advisory Key Contacts & Offices



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